

THE DEPARTMENT OF STATE

BULLETIN

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Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.

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Former Proclaimed List Nationals and American Foreign Trade

Article by GEORGE N. MONSMA¹

THE DEPARTMENT OF STATE on March 29, 1946, issued a statement on behalf of the Government agencies concerned with the *Proclaimed List of Certain Blocked Nationals* informing American businessmen that before establishing or resuming commercial or financial relations abroad with ex-Proclaimed List nationals they may check with the Commercial Intelligence Branch of the Commerce Department as to the desirability of such relations.²

To understand fully this Government's service in this regard it would be well to trace the origin and growth of the Proclaimed List, its purposes, and its contribution to the war effort.

Establishment of the Proclaimed List

As the summer of 1941 was approaching, various agencies of this Government were administering controls related to the economic defense of this country. The agencies administering these controls naturally took into account the persons who might be involved in the transactions subject to control. For example, the Office of the Administrator of Export Control when deciding whether to license or not to license a particular transaction was interested in the persons abroad who were parties to the transaction; similarly, the Treasury Department in administering Executive Order No. 8389 and other foreign funds controls was interested in the persons abroad who were party to any particular transaction which might be under consideration by the Treasury Department. Thus, various departments and agencies of this Government were becoming increasingly interested in the political sympathies and activities of persons abroad as they related to the defense of this country. Various sources of information were avail-

able to the agencies requiring information concerning persons abroad, but there was no machinery for coordinating the views of the various agencies concerning such individuals nor was there a list which could guide American businessmen in their dealings with persons abroad. It thus became evident that it would be necessary to specify publicly those persons whom this Government considered undesirable and with respect to whom all transactions with the United States would be subject to control by the United States Government.

Under the President's proclamation of July 17, 1941 such a list was established and has since been known as the Proclaimed List of Certain Blocked Nationals.³ The President of the United States acting under and by virtue of authority vested in him by Section 5 (b) of the Act of October 6, 1917 (40 Stat. 415) as amended and Section 6 of the Act of July 2, 1940 (54 Stat. 714) as amended and by virtue of all other authority vested in him and by virtue of the existence of a period of unlimited national emergency and finding that the proclamation was necessary in the interest of national defense ordered the Secretary of State acting in conjunction with the Secretary of the Treasury, the Attorney General, the Secretary of Commerce, the Administrator of Export Control, and the Coordinator of Commercial and Cultural Relations between the American Republics to cause to be prepared an appropriate list of "(a) certain persons deemed to be, or to have been acting or purporting to act, directly or indirectly, for the benefit of, or under the direction of, or under the jurisdiction

¹ Mr. Monsma is Acting Assistant Chief of the Division of Economic Security Controls, Office of Economic Security Policy, Department of State.

² BULLETIN of Apr. 7, 1946, p. 579.

³ BULLETIN of July 19, 1941, p. 42.

of, or on behalf of, or in collaboration with Germany or Italy or a national thereof; and (b) certain persons to whom, or on whose behalf, or for whose account, the exportation directly or indirectly of any article or material exported from the United States is deemed to be detrimental to the interest of national defense." The proclamation also provided that additions to and deletions from the list should be made from time to time.

On the same day, July 17, 1941, the departments and agencies of the Government mentioned in the proclamation issued the original Proclaimed List consisting of 1,834 names. Several supplements containing additions to and deletions from the list were made before Pearl Harbor. On December 9, 1941, just two days after Pearl Harbor, the Proclaimed List authorities issued a supplement adding 505 Japanese names to the Proclaimed List. With the attack on Pearl Harbor and the entry of the United States into the war, economic defense changed to economic warfare, and the list became an instrument of economic warfare rather than economic defense. The first indication of this change was the publication of the Japanese supplement two days after Pearl Harbor.

During the first half year of the operation of the Proclaimed List it contained only names of persons in the Western Hemisphere. On January 14, 1942 a supplement was issued which contained for the first time names of persons in the Eastern Hemisphere. At that time 1,824 names of persons and concerns in the Eastern Hemisphere were added to the list. The British had been maintaining for some time a list similar to the Proclaimed List known as the Statutory List. From this time on the British and American authorities cooperated very closely in the issuance of their respective lists so that the lists have been virtually identical.⁴

⁴ The Department of State issues periodically all revisions and cumulative supplements of the Proclaimed List of Certain Blocked Nationals. Since the list was promulgated on July 17, 1941, the Department has issued the original list and its Supplements 1-7 which have been superseded by Revision I; Revision I and its Supplements 1-4, by Revision II; Revision II and its Supplements 1-5, by Revision III; Revision III and its Supplements 1-4, by Revision IV; Revision IV and its Supplements 1-6, by Revision V; Revision V and its Supplements 1-6, by Revision VI; Revision VI and its Supplements 1-6, by Revision VII; Revision VII and its Supplements 1-6, by Revision VIII; Revision VIII and its Supplements 1-6, by Revision IX; Revision IX and its Supplements 1-8, by Revision X and its current supplements.

The Proclaimed List and the Elimination of Axis Economic Penetration in the Western Hemisphere

It is so well known by this time as to be almost axiomatic that the Nazi government of Germany used German commercial and financial concerns abroad as a tool to further the Nazi cause. German economic penetration into the economic life of the other American republics was so expensive as to present a real threat to the security of the Hemisphere, particularly in the drug and pharmaceutical, dye and chemical, and construction, electrical, and engineering fields. In these fields such names as Bayer, Merck, Schering, I. G. Farben, A.E.G., and Siemens-Schuckert have become almost synonymous with Axis economic penetration. The Banco Alemán Transatlántico and Banco Germánico de la América del Sud were important factors in the financial world of the Western Hemisphere. The Germans had also made considerable inroads into the shipping and air transportation fields. These thoroughly German concerns were used as propaganda outlets, financial agents, espionage centers, suppliers of critically needed foreign exchange, sources for smuggling of urgently needed war materials to Germany, and in many other ways were the missionaries of the Nazi gospel and supporters of the Nazi cause. These prominent German enterprises with their numerous subsidiaries and affiliates also exerted influence over many other enterprises which supported the German concerns thus increasing the economic penetration to a considerable extent. Concerns owned by locally resident Germans also represent part of the German economic strength which in many cases could and did aid the Nazi machine.

The American republics early realized the existing and potential danger in this German economic penetration and in Resolution 5 of the Final Act of the Third Meeting of Ministers of Foreign Affairs of the American Republics held at Rio de Janeiro, Brazil, in February 1942 recommended that the American republics adopt immediately measures necessary to cut off all commercial and financial intercourse between the Western Hemisphere and the Axis and to eliminate all other financial and commercial activities prejudicial to the welfare and security of the American republics. Resolution 6 of the same meeting recommended that a conference of representatives

of the central banks or analogous institutions of the American republics be convoked for the purpose of drafting standards of procedure for economic and financial control. Such a conference was held from June 30 to July 10, 1942, at Washington, D. C. Resolution 7 of this conference recommended that each of the American republics adopt all necessary measures as soon as possible to eliminate from the commercial, agricultural, industrial, and financial life of the American republics all influence of governments, nations, and persons within such nations who by any means were acting against the political or economic independence or security of the American republics. To implement this recommendation the resolution recommended that the business and property of persons or concerns acting against the political and economic independence or security of the American republics be subjected to forced transfer or total liquidation, or in some cases to blocking, occupation, or intervention. The Final Act of the Inter-American Conference on War and Peace held in Mexico City during February and March 1945 reaffirms, with respect to Germany and Japan, Resolution 5 of the Third Meeting of Ministers of Foreign Affairs of the American Republics as later developed in the Inter-American Conference on Systems of Economic and Financial Control held in Washington in June and July 1942.

On the basis of these resolutions the American republics initiated extensive programs for the elimination of Axis economic penetration. The elimination of these interests is usually accomplished by liquidation of the business if it is not essential to the economy of the country or forced sale to unobjectionable interests if the concern is an essential part of the economy of the country. Where part of an enterprise is owned or controlled by undesirable interests and the other part is in the hands of unobjectionable interests, the enterprise is usually reorganized to eliminate only the objectionable interests. The programs for economic and financial control and elimination of Axis economic penetration have come to be known as the "local controls programs" or "replacement programs". This Government has repeatedly indicated to the other American republics that it desires to coordinate its Proclaimed List policy with the local controls programs of the various American republics. It was only logical that such coordination should be made. When any country eliminated an Axis concern it was possible to de-

lete not only the name of this concern but also the names of any persons or firms which had been included in the list primarily because of their association with or activities on behalf of the major Proclaimed List entity. Since the major Proclaimed List entity was eliminated, the reason for the listing of such names no longer existed and accordingly such names could be removed from the list. Moreover, as the local controls programs progressed it was possible in some cases to remove certain of the lesser offenders even though not primarily listed for connection with one of the large or spearhead Axis entities, because the security reasons for listing changed as the local controls program in any given country became more effective. The coordination of the Proclaimed List policy with the local controls programs was so effective that the Proclaimed List for many Western Hemisphere countries had already been considerably reduced when the cessation of hostilities in the European theater occurred.

Post-Hostilities Listing Policy

In the summer of 1944 the authorities charged with the maintenance of the Proclaimed List gave extensive consideration to the policy which should be followed upon the successful termination of hostilities in the European theater. The list had been keyed more particularly to the war in Europe than to the war in the Pacific. It was therefore inevitable that a decision with respect to the continuation of the list would have to be made once hostilities had ceased in the European theater. As a result of these deliberations it was decided that the list should continue after cessation of hostilities in Europe, and a public statement was issued by this Government and the British Government on September 26, 1944 announcing this decision.⁵ There were many reasons why it was decided to continue the list after cessation of hostilities in Europe. One important consideration was the fact that certain concerns in neutral European countries felt that they could trade with Germany with impunity during the war, and that immediately upon cessation of hostilities they could continue trading with Germany if it should be the victor or could turn to trade with the United Nations if Germany should be defeated. On the other hand, firms in neutral countries who refused to engage in war trade with Germany were faced

⁵ BULLETIN of Oct. 1, 1944, p. 340.

with a possible boycott by Germany if she should be victorious. Moreover, in the event of a German defeat the firms which were willing to forego large profits in war trade with Germany during the war because of friendliness to the United Nations' cause would have to compete for United Nations' trade with enterprises which had flourished during the war through extensive trade with Germany. Thus these friendly concerns stood to lose after the war no matter which side won, unless some means were contrived to give them the first opportunity to obtain a substantial share in the revived post-hostilities United Nations' trade. If such means could be devised, friendly firms would have some incentive, in addition to their loyalty to the democratic cause, to refrain from establishing war trade with Germany. This was a strong reason for the announcement in September 26, 1944 that the Proclaimed List would continue after the cessation of hostilities in Europe, thus giving firms friendly to the democratic cause the edge over firms which had gone out of their way to assist the enemy during the war. Among the other reasons why it was decided the list should go on in the post-hostilities period was the fact that considerable German assets were leaving Germany and seeking safe haven in neutral countries in Europe and to some extent in the Western Hemisphere. Some of these assets represented the funds of important German officials and commercial enterprises; others represented assets looted in the German-occupied territories. It was felt that the list could serve a useful purpose in connection with the uncovering and identifying of such assets. It was also felt that the list could serve a useful purpose in controlling subsidiaries of German enterprises whose head office would be placed under Allied control at the termination of hostilities.

At the same time it was felt that after V-E Day the changed security situation made revision of the list desirable. This revision actually took place in two stages. Following the cessation of hostilities in Europe the names of minor offenders were culled from the list and deleted in June 1945. The announcement issued at the time these names were deleted indicated that the names were deleted only because of the changed security situation and that their deletion did not constitute any change in attitude of this Government with respect to their undesirability.⁶ The second phase of this

post-hostilities revision consisted of a thorough review of the facts of every case remaining on the list and the selection of the worst offenders to remain on the list. After this "hard core of worst offenders" had been selected on the basis of the case-by-case study, all other names were removed from the list in November of 1945.

The November supplement contained 5,081 deletions, which left 6,053 names on the "hard core" list. This figure represents a substantial reduction of the list from its peak of 15,446 names. Since the November supplement, there have been relatively few deletions from the list, which is only natural in view of the fact that the whole list was reviewed case-by-case before the issuance of the November supplement. The list, however, is not a frozen list, which is attested by the fact that there have been some deletions and even more by the fact that there have been additions to the list. It is not contemplated that this Government will ever wish to operate a frozen list. It may be expected that there will always be additions and deletions to the list where good reason exists. It is not hard to understand, however, that deletions will be few since the list has been reduced to a "hard core of worst offenders."

From the foregoing, it is obvious that there are two types of deletions: the one based on the merits of the individual case; the other, on the changed security situation following the cessation of hostilities or the effectiveness of the local controls programs of the country where the individual is resident or the concern is located. The so-called "merit" deletions occur after a reorganization eliminating undesirable elements in the firm or after it has been demonstrated on the merits of the case that listing is no longer necessary. Deletions of the second type do not depend on the facts of the individual case nearly so much as on the changed security situation or the local controls of a given country. Such deletions are referred to as "group" deletions. As far as deletion in such cases has any reference to the merits of the individual case, it simply indicates that the Proclaimed List authorities do not consider the person or concern to be one of the worst offenders.

Attitude Toward Former Proclaimed List Nationals

Since some firms were deleted from the list for merit and some for reasons other than the merits of the individual case, it was inevitable that the

⁶ BULLETIN of June 24, 1945, p. 1167.

question of the attitude which should be adopted toward persons or firms deleted from the Proclaimed List for reasons other than merit should arise. In the first place, American exporters wished to know whether there was any objection to American business reestablishing previous trade connections and forming new trade connections with former Proclaimed List nationals. At the same time, questions were arising abroad. Obviously, there was no problem where a firm had been deleted for merit. The problem arose in connection with firms which were deleted for reasons other than the merits of the individual case. It was felt by many that persons who had worked against us all during the war should not immediately upon the cessation of hostilities be received back into the family of American business enterprise and that the concerns which had been friendly to us all during the war when supplies were limited should have the first opportunity for establishing or reestablishing trade connections with American business in the post-war period when supplies were increasing. As indicated previously, one of the reasons for continuing the list was to give friendly firms the first opportunity to obtain American business contacts. For similar reasons it was felt that firms which had been friendly to us all during the war should also have an advantage over the concerns deleted for reasons other than merit.

If the American firms were to give agencies to former Proclaimed List nationals deleted for reasons other than merit, the general public in a friendly country would scarcely understand how this could occur. Suppose, for example, that a firm which represented important United States firms had been included in the Proclaimed List during the major portion of the war, the firm then being deleted in a group deletion. If the United States firm were to reestablish its connection with this agent or business representative the sequence of events would not be hard to imagine. The ex-Proclaimed List concern would immediately advertise extensively its reinstatement to a surprised public. The business establishment would soon have a large sign advertising the American connection, and our friends in that republic would not be able to understand how the leopard had changed its spots.

Not only is the general public in a friendly country concerned with the policy which this Government follows with regard to former Pro-

claimed List nationals but cooperative and friendly governments which have imposed vigorous wartime controls to effect the elimination of the Axis war potential from their countries also have a live interest in this subject. When Axis firms are liquidated, reorganized, or sold by friendly governments, it is frequently necessary to discharge former employees who were actively engaged in pro-Axis activities. Many of such discharged employees have been deleted from the Proclaimed List in group deletions. If such employees should be placed in charge of local sales organization of a United States firm, it would obviously be difficult indeed for the cooperative governments to understand such an appointment.

There are indications that German businessmen abroad feel that now that Germany has been defeated it is for them to preserve German assets, technical skills, culture, and ideologies against the day when the homeland can rise again. In some countries the Nazis are doing their work surreptitiously; in others there is a bold, outspoken, public program. Obviously, American firms do not wish to assist this smoldering flame of Nazism by accepting its proponents into the bosom of American foreign commerce, allowing the profits derived therefrom to be used for such nefarious ends.

From a purely commercial standpoint former Proclaimed List nationals are not the most desirable trade contacts. Many have suffered considerably during the war years by being on the Proclaimed List so that their ability to properly represent American firms has been greatly impaired. Many have lost the respect of their neighbors and the good-will of their community because they have been publicly identified as unfriendly to the United Nations during the war. Both of these factors would impair their sales ability. There is evidence too that former Proclaimed List nationals are willing to disparage American products and praise German products and to sabotage American commercial interests by approaching their customers in somewhat the following vein. The implication is sometimes made that the American products sold are inferior and a temporary line, pending reestablishment of "solid" German lines. It is obviously not in the interests of the United States or its manufacturers to chance being represented by persons of this type—those who are, in truth, unfriendly to the United States and United States concerns, though professing friendship.

After careful consideration of facts such as the foregoing it was felt that the most feasible approach to this problem would be to inform American businessmen upon their request whether or not a former Proclaimed List national had been deleted on the merits of the individual case. American exporters had indicated that they desired this information and that they were eager to cooperate in this regard. The logical agency of the Government to furnish such information is the Department of Commerce, which has for many years provided commercial information to the American businessman and has during the war been a great help to American businessmen by furnishing information concerning and explaining various Government wartime controls. The Commerce Department, in the *Foreign Commerce Weekly* of August 4, 1945, stated that the Commerce Department was prepared to furnish this service to American businessmen. The service has been in operation since that time.

The statement mentioned in the first paragraph of this article was issued on March 29 in order to give wider publicity to the fact that this service is available. In this statement American businessmen are informed that before establishing or resuming commercial or financial relations abroad with former Proclaimed List nationals they may check with the Commercial Intelligence Branch of the Department of Commerce as to the desirability of such relations. The statement goes on to say that such connections with former Proclaimed List individuals and firms, except those who have been deleted from the Proclaimed List without prejudice, would have to be a factor considered in cases arising for the protection of American interests abroad and that while our Government always will protect the legitimate rights and interests of American business abroad it would not wish to take any action which would assist those who had formerly worked against our vital national interests and who might do so again if opportunity offered.

It should be noted that the program with respect to former Proclaimed List nationals is essentially a service. American business enterprises are not prohibited from dealing with former Proclaimed List nationals. Rather information is made

available to American businessmen and their cooperation is solicited.

It should also be noted that the program is not designed to prevent American goods reaching the hands of former Proclaimed List nationals deleted for reasons other than merit. The program is not designed to prevent such former Proclaimed List nationals from riding in American-made automobiles, smoking American-made cigarettes, or wearing American-made shirts. The program is not aimed at preventing individual sales to such ex-Proclaimed List nationals. The program is rather aimed at agency relationships, representations, distributorships, and similar continuing trade connections or contacts. Although the program is not designed to prevent ex-Proclaimed List nationals deleted for reasons other than merit from buying American goods, it is aimed at discouraging and if possible preventing a situation where the nationals of a friendly and cooperative country must go to such persons to obtain American goods. The program is designed to prevent such persons from being accepted into the family of American business and being in on the money-making side of American business. Thus the new program is not a trade barrier. It does not stop the flow of American merchandise abroad. It does not affect the flow of American merchandise; it affects only the channel which this flow takes. It does not involve export controls, nor does the plan interfere with trade promotion policy or programs. It is based on the conviction of government and business that it is more desirable from all points of view to have American goods distributed by persons or concerns friendly to American democratic ideals and institutions rather than to have such goods distributed abroad by persons who were unfriendly toward us during the recent conflict and who might be unfriendly toward us again if opportunity afforded.

It took a great deal of "blood, sweat, and tears" to defeat the Nazi and Japanese war machines in Europe and the Pacific, and a great deal of time, energy, and money has gone into the effort to eliminate Axis economic penetration abroad. Of these facts the American foreign trader is well aware, and it is believed that when establishing trade contacts abroad he will wish to act accordingly.

The United Nations

Proposed Resolution on Membership Applications

LETTER FROM UNITED STATES REPRESENTATIVE TO SECRETARY-GENERAL¹

10 May 1946.

MY DEAR MR. SECRETARY-GENERAL:

On instructions from my Government, I have the honour to request that the matter of establishing general arrangements whereby the Security Council may receive and consider membership applications with a view toward recommending to the General Assembly at its forthcoming meeting on September 3, 1946, the admission of any qualified applicant States to membership pursuant to Article 4 of the Charter, be placed on the agenda of the next meeting of the Security Council.

I attach hereto a copy of a resolution² which I shall propose for the consideration of the Security Council.

Sincerely yours,

E. R. STETTINIUS

THE SECURITY COUNCIL

taking into account the fact that, under Article 4 of the Charter, membership in the United Nations is open to all peace-loving states which accept

the obligations contained in the Charter, and, in the judgment of the Organizations, are able and willing to carry out these obligations; and

taking into account the fact that the General Assembly, which acts to admit applicant states to membership on the recommendation of the Security Council, will meet for the second part of its first session on September 3, 1946,

RESOLVES that:

1. Applications for membership which have been or may be received by the Secretary-General shall be considered by the Security Council at a meeting or meetings to be held in August 1946 for this specific purpose.

2. Applications for membership which have been or may be received by the Secretary-General not later than July 15, 1946, shall be referred to a committee composed of a representative of each of the members of the Security Council for examination and report to the Council not later than August 1, 1946.

Progress Made by Subcommittee on Franco³

The subcommittee on Franco at its meeting on May 10 concluded its preliminary studies on the scope of evidence necessary and the method of conducting the inquiry entrusted to it by the Security Council.

To date the following communications had been sent by the Secretary-General on the instruction of the subcommittee to member governments of the United Nations and to inter-Allied bodies requesting information on the Franco regime:

1. April 29 Letter containing general request to all members of the United Nations for information on Spain.
2. May 3 Cable to the Chairman of the United Nations War Crimes Commission in

London requesting information regarding the presence of German war criminals on Spanish territory.

3. May 6 and 7 Letter enclosing the "Statement of the Nature of the Evidence Required by the Sub-Committee" to all the United Nations, asking for all relevant information to the questions included in the statement.

¹ S/56, May 10, 1946.

² This resolution was adopted unanimously by the Security Council at its 42d meeting on May 17, 1946. been or may be received by the Secretary-General

³ Established by the Security Council by its resolution as adopted at its 39th meeting on Apr. 29, 1946. For text of the resolution see BULLETIN of May 12, 1946, p. 796.

4. *May 8* Cable to the chief prosecutors of the U.S.A., U.K., U.S.S.R., and France of the International Military Tribunal at Nürnberg, requesting specific information concerning the attitude of the Franco regime during the recent war to the Axis powers and the Allied powers.
5. *May 8* Cable to the Chairman, Allied Council for Japan, Tokyo, requesting specific information concerning the subversive activities of Falange and Franco organizations in Japan on former Japanese occupied territories directed against the United Nations.
6. *May 8* Cable to the Chairman of the Allied Control Council in Germany, Berlin, requesting specific information regarding the extent to which the Franco regime continues to harbor

German agents, organizations, war criminals, etc., and the attitude of the Franco regime during the recent war to the Axis powers and the Allied powers.

7. *May 8* Cable to the League of Nations in Geneva requesting unpublished documents and information in regard to Spain, including records of private sessions of commissions and committees.
8. *May 8* Cable to the Chairman of the Allied Commission for Italy, Rome, requesting information regarding the attitude of the Franco regime during the recent war to the Axis powers and the Allied powers.
9. *May 9* Letter to the United States Government requesting specific information

Functions of International Organizations¹

FUNCTIONS	I. L. O.	F. A. O.	UNESCO	WORLD HEALTH ORGANIZATIONS (Proposed)
1. Collect and disseminate information.	Collects and publishes information.	Collects, analyzes, interprets, and disseminates information.	Uses all means of mass communication.	Maintain epidemiological and statistical service for collection and dissemination of information.
2. Conduct special studies.	Makes investigations.	Scientific, technological, social, and economic research relating to nutrition, food, and agriculture. Initiates special studies and surveys on specific problems related to welfare of rural people.	See 1.	Promote research in the field of health.
3. Issue reports on specific subjects within scope of organization.	Issues special reports.	Makes reports.	See 1.	Central information services.
4. Hold conferences on subjects within scope of organization.	Holds conferences.	Organization includes a conference.	Has a general conference. The general conference shall summon international conferences on education, etc.	Hold world conferences.
5. Develop standards.	Adopts statements on principles.	Formulates policies.	Recommends to the nations concerned the necessary international conventions.	Develop international standards.
6. Formulate recommendations, draft conventions, and international agreements.	Adopts recommendations, resolutions, and conventions.	Adopts international premises.	Adopts recommendations, international conventions, and agreements.	Promote conventions, regulations, and agreements.
7. Provide technical assistance: a. to other international organizations; b. to governments.	Gives technical assistance.	Furnishes such technical assistance as governments may request.	Collaborates with members, at their request, in the development of educational activities.	Furnish appropriate technical assistance.

¹ Document E/TSC/19, May 7, 1946.

concerning the subversive activities of the Falange and other Franco organizations in the Spanish-speaking republics of Central and South America and in the Philippine Commonwealth; specific information on production by the Franco regime of war materials, etc.; documents from German and Italian archives containing information on Spain; documents which served as the basis of the preparation of the report published by Foreign Economic Administration.

10. *May 8* Letter to the Governments of all Central American and South American republics and the Philippine Commonwealth requesting specific information concerning the attitude of the Franco regime during the recent war to the Axis powers and the Allied powers, with particular reference to any subversive activities of

11. *May 8*

the Falange and Franco organizations in the countries mentioned.

Letter to the British Government requesting specific information regarding the use during the war of Spanish bases by German submarines and concerning the documents from German and Italian archives containing information relevant to Spain.

12. *May 8*

Letter to the Italian Government requesting information concerning the attitude of the Franco regime during the recent war to the Axis powers and the Allied powers.

13. *May 9*

Letter to the Soviet Government requesting information regarding the participation of the Spanish "Blue Division" in the war against the Soviet Union and concerning documents from German archives containing information relevant to Spain.

Functions of International Organizations—Continued

FUNCTIONS	I. L. O.	F. A. O.	UNESCO	WORLD HEALTH ORGANIZATIONS (Proposed)
8. Promote international cooperation and initiate methods of collaboration among nations.	Makes international legislative proposals.	Promotes and recommends international action.	Promotes collaboration among the nations. Encourages cooperation among the nations in all branches of intellectual activity.	International collaboration and mutual assistance; coordinating authority.
9. Cooperate with other international organizations.	Has had liaison officers on other committees.	Cooperates with professional groups and other organizations in rural welfare, with specialized international agencies in related fields, and with other international agencies.	Cooperates with other specialized inter-governmental agencies whose activities are related to its purposes.	Establish effective relationship with inter-governmental and other international organizations.
10. Promote and initiate international cooperation in the training and exchange of technical personnel.			Encourages the international exchange of persons active in education, science, and culture.	Improve standards of teaching and training by means of fellowships, courses, study tours, and exchange of visits.
11. Administer services and activities.		Takes all appropriate action to implement the purposes of the organization.		Provide, upon request, health services and facilities to special groups. Assist governments.
12. Other.		Organizes missions needed to fulfil their obligations arising from their acceptance of the recommendations of the UNFA Conference. Takes all appropriate action to implement purposes.	Suggests educational methods.	Give necessary aid at the request of governments. Take all necessary and appropriate action.

International Organizations and Conferences

Calendar of Meetings

Council of Foreign Ministers: Meeting of Deputies	London	January 18— temporarily adjourned	International Cotton Advisory Committee	Washing- ton	May 7-14
Meeting of Foreign Ministers	Paris	April 25—ad- journed on May 16 un- til June 15	FAO: Special Meeting on Ur- gent Food Problems	Washing- ton	May 20-28
Far Eastern Commission	Washing- ton	February 26	International Labor Office: Ninety-eighth Session of the Governing Body	Montreal	May 23-28
Allied-Swiss Negotiations for German External Assets	Washing- ton	March 18	The United Nations:		
International Labor Organiza- tion: Metal Trades Com- mittee	Toledo	May 2-11	Security Council	New York	March 25
International Office of Public Health	Paris	April 24— May 6	Military Staff Committee	New York	March 25
PICAO:			Special Committee on Ref- ugees and Displaced Persons	London	April 8
European and Mediterranean Air Route Services Con- ference	Paris	April 24	International Court of Justice	The Hague	April 18
Meeting of the First Annual Assembly	Montreal	May 21	Commissions of the Economic and Social Council	New York	April 29
			Economic and Social Council	New York	May 25
			International Health Con- ference	New York	June 19
			General Assembly: Second Part of First Session	New York	September 3

The dates in the calendar are as of May 19.

Activities and Developments

I. **The Far Eastern Commission** unanimously approved on May 13 two initial policy statements which will form parts of the over-all Interim Reparations Policy for Japan, which the Commission is still considering. (Texts printed below.) Both of these policies are based on the original Pauley report to the President recommending an Interim Reparations Removal Program for Japan. The statement on Army and Navy arsenals, aircraft industry, and light-metals industry is a modification of a proposal submitted to the Commission by the United States Government. This policy should be understood as constituting but one part of an Interim Reparations Program; the Reparations Committee has for several weeks been considering other industries too, such as machine

tools, iron and steel, and shipbuilding, and the Commission will release additional policies on these as agreement is reached.

II. The second of these policy statements (Removal of Facilities From Japan for Reparations—Priority According to Ownership or Control) was also proposed to the Commission by the United States Government and, after modification, was agreed to by the Commission. This statement relates reparations removals to the general policy under which the Supreme Commander for the Allied Powers has been directed to dissolve monopolies, cartels, and combinations of economic power. The present statement, of course, is only an incidental part of the complete program to be determined with respect to the Zaibatsu.

III. The Commission also unanimously approved the attached policy with respect to criteria for the adoption of a new Japanese Constitution. (Text printed below.) The Commission is studying the matter of the Constitution further with the view of reaching agreement on additional policies in this regard.

1. Interim Reparations Removal Program Army and Navy Arsenals; Aircraft Industry; Light Metals Industry

The action specified below should be taken with respect to facilities identified in the three listed categories of Japanese industry. Such action, under the Interim Reparations Removal Program, should be taken without prejudice to further removals that may be ordered under a final reparations program.

1. ARMY AND NAVY ARSENALS

(Definitions: "Plants and establishments owned and operated by the Japanese Army or Navy engaged in the development, production, maintenance, testing or storage of equipment or supplies for use in war or warlike purposes. (Arsenals as defined herein embraces a broad category of facilities distinguished by their ownership rather than by the nature of the operation and departs from the more usual connotation of ordnance manufacture the more usual connotation of ordnance manufacture in a separate paper.")

a. All facilities within this category should be made available for claim, subject to the following limitations:

(1) Special Purpose Machinery and Equipment

All machinery, equipment and accessories which by virtue of initial design, construction, or major structural change are, as individual items, special purpose in nature and functionally limited to use in connection with equipment or supplies for war or warlike purposes, should be held pending further instructions concerning their disposition.

(2) Shipyards

Shipbuilding and ship repair facilities should be disposed of in accordance with policy to be decided later.

(3) Non-armament Facilities

Those facilities which have been engaged in the production of such non-durable consumer goods as textiles, clothing, processed foods, and pharmaceuticals, should be left for disposal under the final reparations program, and not be made available

for claim under the Interim Reparations Removal Program.

(4) Fertilizer and Fuel Facilities

Those facilities which can be readily used in the production of fertilizer and fuel, other than synthetic oil, should be left for disposal later and not be made available immediately for claim under the Interim Reparations Removal Program.

2. AIRCRAFT INDUSTRY

(Definitions: "Plants and establishments primarily engaged in the manufacture or assembly of finished aircraft, airframes, aircraft engines, and aircraft propellers, or in supplying fabricated materials semi-finished, or finished parts, components, or accessories, (exclusive of arms and armaments, instruments and communication equipment) especially designed for incorporation in finished aircraft.")

a. All facilities in plants and establishments originally designed, constructed, and equipped, or converted through major change in the nature of installed machinery and equipment to serve in this category should be made available for claim.

b. Plants and establishments within this category, other than those covered in (a) above, the use of whose products by the aircraft industry represents merely a diversion during the war without major change in character of product from former peacetime civil consumption, or in the nature of installed machinery and equipment, should not be made available for claim pending Allied decision as to the final disposition of the industry with which they are normally associated.

3. LIGHT METALS INDUSTRY

(Definitions: "Plants and establishments primarily engaged in the production of alumina, primary or secondary aluminum and magnesium, and in the rolling, extruding, drawing, forging and casting of aluminum and magnesium and their alloys.")

a. All facilities identified within this category should be made available for claim, subject to the following limitations:

(1) No facilities engaged in remelting light metal scrap into secondary ingot should be made available for claim.

(2) In cement plants converted to produce alumina from clays or shales, only the equipment introduced to effect such conversion should be made available for claim.

(3) Sufficient rolling and drawing equipment should be retained to handle 15,000 metric tons per annum of fabricated aluminum. Such equipment should be of a general purpose character and can be obtained from any surplus available in other branches of the non-ferrous metals industry.

II. Removal of Facilities From Japan or Reparations—Priority According to Ownership or Control

Among the criteria to be employed in the selection of individual plants and items of equipment for removal from Japan as reparations should be the principle of reinforcing the occupation objective of dissolving large industrial and banking corporations which have exercised control over a great part of Japanese trade and industry.

The following interests, combinations, and concerns, which assisted in Japanese aggression, and their subsidiaries and affiliates, should be included with others which have been or may be designated: Mitsui; Mitsubishi; Sumitomo; Kuhara; Okura; Yasuda; Mori; Rikken; Nissan; Mangyo; and Nakajima.

III. Criteria for the Adoption of a New Japanese Constitution

1. The criteria for the adoption of a new Constitution should be such as to ensure that the Constitution, when finally adopted, is, in fact, a free expression of the will of the Japanese people. To this end, the following principles should be observed:

a. Adequate time and opportunity should be allowed for the full discussion and consideration of the terms of a new Constitution.

b. Complete legal continuity from the Constitution of 1889 to the new Constitution should be assured.

c. The new Constitution should be adopted in such a manner as to demonstrate that it affirmatively expresses the free will of the Japanese people.

U. S. Delegation to PICA0¹

Dean Acheson, Acting Secretary of State, announced on May 17 that the President had approved the composition of the United States Delegation to the First Annual Assembly of the Provisional International Civil Aviation Organi-

zation (PICA0) scheduled to convene at Montreal, Quebec, Canada, May 21, 1946. This is the first annual meeting of the Provisional Organization as provided in the Interim Agreement which was accepted by the United States on February 8, 1945.

The Assembly will review the work of the Council and Secretariat since the organization was established last June and will determine PICA0's financial arrangements as well as lay preparatory plans for the permanent International Civil Aviation Organization (ICAO). It will also discuss matters in the technical, economic, and legal fields of international civil aviation.

In order that the views of aviation labor and industry may be made properly available, invitations to participate as advisers to the delegation have been extended to the following: Air Transport Association, Aircraft Industries Association, Air Line Pilots Association, American Overseas Airlines, Pan American Airways, Pan American-Grace Airways, Inc., and Trans World Airline.

Members of the U. S. Delegation are:

Chairman:

William A. M. Burden, Assistant Secretary of Commerce.

Vice Chairman:

L. Welch Pogue, Chairman, Civil Aeronautics Board.

Delegates:

Harlee Branch, Member, Civil Aeronautics Board.

Gerald B. Brophy, U. S. Representative on the PICA0 Council.

Garrison Norton, Deputy Director, Office of Transport and Communications Policy, Department of State.

Alternate Delegates:

Paul T. David, Assistant Chief, Fiscal Division, U. S. Bureau of the Budget.

Stokeley W. Morgan, Chief, Aviation Division, Department of State.

George C. Neal, General Counsel, Civil Aeronautics Board.

Lieutenant Commander Paul A. Smith, Assistant to Director, USCGS, and U. S. Air Navigation Representative to PICA0.

Charles I. Stanton, Deputy Administrator, Civil Aeronautics Administration.

Consultants:

John L. Sullivan, Assistant Secretary of the Navy for Air, Navy Department.

W. Stuart Symington, Assistant Secretary of War for Air, War Department.

Alternate Consultants:

Charles O. Cary, Office of the Assistant Secretary of the Navy for Air, Navy Department.

Colonel T. C. Odom, Executive Officer, Office of the Assistant Secretary of War for Air, War Department.

¹ Released to the press May 17.

Advisers:

Russell B. Adams, Director of Economic Bureau, Civil Aeronautics Board.

Lieutenant Colonel Morris R. Dowd, Civil Aviation Branch, Office of the Assistant Chief of Air Staff, Plans, War Department.

Terrell Drinkwater, Vice President, American Overseas Airlines.

R. E. Elwell, General Counsel, Civil Aeronautics Administration.

Eleanor H. Finch, Assistant to the Adviser on Air Law, Aviation Division, Department of State.

John J. Gillen, Director of International Postal Service, Post Office Department.

Glen A. Gilbert, Consultant to the Administrator, Civil Aeronautics Administration.

Frank K. Hefner, Budget Examiner, Estimates Division, U. S. Bureau of the Budget.

Robert D. Hoyt, Coordinator of International Regulations, Civil Aeronautics Board.

Captain Howard B. Hutchinson, Naval Air Transport Service, Office of Chief of Naval Operations, Navy Department.

A. S. Koch, Assistant Administrator for Field Operations, Civil Aeronautics Administration.

Stephen Latchford, Adviser on Air Law, Aviation Division, Department of State.

Arthur L. Lebel, Chief, Aviation Communications Section, Aviation Division, Department of State.

Lieutenant Colonel John A. McCrary, Assistant Liaison Representative for Air Coordinating Committee, War Department.

Emory T. Nunneley, Assistant General Counsel, Civil Aeronautics Board.

Lawrence E. Ring, Principal Budget Examiner, Estimates Division, U. S. Bureau of the Budget.

Donald W. Nyrop, Official PICAQ Representative for Air Transport Association.

Captain Frank O'Beirne, Chief, Civil Air Agencies Section, Office of Deputy Chief of Naval Operations (Air), Navy Department.

Lieutenant Colonel A. S. Raudabaugh, Civil Aviation Branch, Office of Assistant Chief of Air Staff, Plans, War Department.

John T. Shannon, Vice President, Pan American-Grace Airways Inc.

John Sherman, PICAQ Coordinator for Air Transport Matters, Civil Aeronautics Board.

James H. Smith, Assistant Vice President, Pan American Airways.

Constantin de Stackelberg, Assistant to Chairman of Board, Trans World Airline.

A. E. Stockburger, Assistant Administrator for Business Management, Civil Aeronautics Administration.

Colonel Carl Swyter, Office of Air Communications Officer, Headquarters, Army Air Forces.

Colonel Lawrence M. Thomas, Air Transport Command, Army Air Forces.

Stuart G. Tipton, General Counsel, Air Transport Association.

Richard K. Waldo, Special Assistant on PICAQ Matters, Aviation Division, Department of State.

Lieutenant Colonel Earl B. Young, Executive Officer, Office of Assistant Chief of Staff, Plans, Headquarters, Air Transport Command.

Press Officer:

Joseph W. Reap, Assistant to the Special Assistant to the Secretary of State on Press Relations, Department of State.

Assistant to the Press Officer:

Virginia Hudson

Technical Secretary:

Alfred Hand, Director, Plans and Performance Staff, Civil Aeronautics Administration.

Secretaries:

William L. Breese, Division of International Conferences, Department of State.

Lawrence W. Taylor, American Consul, Montreal, Canada.

Assistant to Chairman:

Mrs. Giulietta Metcalfe, Air Transport Economist, Office of Assistant Secretary of Commerce, Department of Commerce.

Administrative Assistant:

Miss Dorothy King, Division of International Conferences, Department of State.

Stenographers:

Alice Blucher, Aviation Division, Department of State.

Mrs. Jewell Carraway, Civil Aeronautics Board.

Mary E. Hoult, Office of Representative to PICAQ.

Yolanda Kiraly, Civil Aeronautics Administration.

Olga Shopa, Office of Representative to PICAQ.

Mrs. Alice Stahl, Coast and Geodetic Survey.

The Fifth Meeting of the International Cotton Advisory Committee.

Twenty-seven of the United Nations governments having substantial interests in cotton, as exporters or importers, were represented at the fifth meeting of the International Cotton Advisory Committee in Washington, D. C., from May 7 to 14.

A more formal and permanent organization for the International Cotton Advisory Committee, with a secretariat in Washington, was provided for in the final act of that meeting.

The Committee's final resolution also found "that although the world cotton situation is currently undergoing improvement, a substantial surplus of cotton still exists," that the situation should be kept under review, and that "the study of proposals for international collaboration in respect to the world cotton surplus should be pursued and that a medium should be provided for the consideration of current international cotton problems."

An executive committee consisting of representatives of six importing and six exporting countries

was created to serve until the next meeting of the ICAC. L. A. Wheeler, Director of the Office of Foreign Agricultural Relations, U. S. Department of Agriculture, who continues as chairman of ICAC, was requested to convene the executive committee.

The executive committee, upon acceptance of the resolution by at least 12 member governments, is to set up a secretariat, draw up a budget not exceeding \$50,000 for the fiscal year beginning July 1, 1946, propose a budget for the following year and recommend a basis for contributions by member governments in future years, and fix the date and place of the next meeting of the ICAC. Each member government was requested to make an initial contribution of \$2,500.

Governments whose representatives compose the executive committee are Argentina, Belgium, Brazil, Canada, China, Czechoslovakia, Egypt, France, India, Peru, the United Kingdom, and the United States.

A subcommittee headed by S. K. Kirpalani of India reviewed and reported upon the world cotton situation, calling attention to the need for "complete and accurate information on the world cotton situation [as] a prime requisite for the solution of cotton problems through cooperation on an international scale." Such information, it was stated, "must be timely. It should be in terms of comparable quality measurements and it should be expressed in the same terms as to quantity or be in such terms as can readily be converted on a uniform basis."

A subcommittee headed by C. D. Walker of the United States reported favorably upon "continuation of work on international arrangements for dealing with world cotton problems." The chairman said the subcommittee felt that "particular attention might be given in any continuing study to the following:

"Consumption of raw cotton and measures for increasing it; criteria for determining when a burdensome surplus exists; criteria for estimating efficiency of production and methods for the adjustment of production; claims of producers of special staples to be outside any scheme of quotas; basis for establishing quota shares including consideration of seasonal and shipping factors; buffer stock operations; freedom of markets in presence of a quota scheme; development of, and competition from, substitute fibers."

The subcommittee headed by R. D. Fennelly of the United Kingdom reported upon the form of organization which the ICAC accepted and agreed to recommend to member governments.

Governments represented at the fifth meeting were: Argentina, Australia, Belgium, Bolivia, Brazil, Canada, Chile, China, Colombia, Cuba, Czechoslovakia, Egypt, France, Greece, India, Iran, Mexico, the Netherlands, Nicaragua, Paraguay, Peru, Turkey, the Union of Soviet Socialist Republics, the United Kingdom, the United States, Venezuela, and Yugoslavia.

Opening and closing sessions of the committee's meeting were held in the State Department, other sessions in the Department of Agriculture. The delegates at the opening session were welcomed by Mr. Wheeler on behalf of the Government of the United States. At the session's close, on a motion by Cuba's delegation, the committee expressed thanks for the facilities made available and services rendered by the United States and by the committee officials and chairmen of the subcommittees.

Final Resolution of the Fifth Meeting of the International Cotton Advisory Committee

WHEREAS:

It has been found that although the world cotton situation is currently undergoing improvement, a substantial surplus of cotton still exists, and,

WHEREAS:

There are found to be present conditions which make it desirable that the world cotton situation be kept under continuous review, and,

WHEREAS:

It is believed that the study of proposals for international collaboration in respect to the world cotton surplus should be pursued and that a medium should be provided for the consideration of current international cotton problems,

It is resolved:

1. That an Executive Committee consisting of representatives of 12 member governments divided equally between cotton exporting and importing countries be established; and that 8 members of the Executive Committee shall constitute a quorum.

2. That the members of the Executive Committee who shall serve until the next meeting of the International Cotton Advisory Committee shall be representatives designated by the Governments of

Argentina	Egypt
Belgium	France
Brazil	India
Canada	Peru
China	United Kingdom
Czechoslovakia	United States of America

and that these Governments be requested to communicate in writing to the Chairman of the International Cotton Advisory Committee through appropriate diplomatic channels the names of their representatives on the Executive Committee.

3. That the Executive Committee be authorized to fill vacancies in its own membership, having in mind the principle that the governments of exporting and importing countries should be equally represented.

4. That the Chairman of the International Cotton Advisory Committee be requested to convene the Executive Committee in its first meeting.

5. That upon the approval of this Resolution by not less than 12 member governments of the International Cotton Advisory Committee, the powers and duties of the Executive Committee shall be:

- a. To establish practical cooperation with the Food and Agriculture Organization of the United Nations and with other international organizations concerned with the world cotton situation;
- b. To provide a medium for exchange of views in regard to current developments in the international cotton situation;
- c. To develop further the work on an instrument of international collaboration to deal with the world cotton situation;
- d. To create and maintain at Washington a secretariat for the purpose of supplying complete, authentic, and timely statistics on world cotton production, trade, consumption, stocks, and prices;

e. To employ such staff as it may deem necessary for the purpose, having in mind the desirability of drawing qualified personnel as broadly as possible from participating countries;

f. To determine the number, nature, and distribution of reports to be issued;

g. To receive contributions of funds from member governments of the International Cotton Advisory Committee; to draw up a budget for the fiscal year beginning July 1, 1946, not to exceed fifty thousand (\$50,000.00) dollars; and to arrange for and supervise the expenditure of such funds;

h. To propose a budget for the next following fiscal year and to recommend a basis for contributions by member governments in future years;

i. To determine and fix the date and place of the next meeting of the International Cotton Advisory Committee; prepare the draft agenda; and make recommendations as to the composition of future Executive Committees.

6. That each member government of the International Cotton Advisory Committee be requested to make an initial contribution to the Executive Committee of two thousand five hundred (\$2,500.00) dollars in United States funds; that the ultimate basis for the assessment of contributions be decided upon by the International Cotton Advisory Committee at its next meeting following the establishment of the secretariat; and that adjustments be made to take account of the initial payment of \$2,500.00 by any member government.

7. That each member government of the International Cotton Advisory Committee be requested to cooperate fully with the Executive Committee and the secretariat in developing and supplying such national statistics as may be essential to the work of developing and supplying complete, authentic, and timely cotton statistics on a world basis.

8. That the official and working languages of the International Cotton Advisory Committee be the same as those adopted by the United Nations.

Charter of the International Military Tribunal for the Far East

CHANGES MADE IN TEXT

General Orders No. 1, General Headquarters, Supreme Commander for the Allied Powers, 19 January 1946, subject as below, is superseded. The Charter of the International Military Tribunal for the Far East established by Proclamation of the Supreme Commander for the Allied Powers, 19 January 1946, is amended, and as amended, reads as follows:

[The following changes should be made in the text of the Charter as printed in the BULLETIN of March 10, 1946, pp. 361-4.]

Section I

CONSTITUTION OF TRIBUNAL

Article 2. Members. The Tribunal shall consist of not less than six members nor more than eleven members, appointed by the Supreme Commander for the Allied Powers from the names submitted by the Signatories to the Instrument of Surrender, India, and the Commonwealth of the Philippines.

Article 4. Convening and Quorum, Voting and Absence.

a. Convening and Quorum. When as many as six members of the Tribunal are present, they may convene the Tribunal in formal session. The presence of a majority of all members shall be necessary to constitute a quorum.

c. Absence. If a member at any time is absent and afterwards is able to be present, he shall take part in all subsequent proceedings; unless he declares in open court that he is disqualified by reason of insufficient familiarity with the proceedings which took place in his absence.

From General Headquarters, Supreme Commander for the Allied Powers, APO 500, 26 April 1946, General Orders No. 20.

Section III

FAIR TRIAL FOR ACCUSED

Article 9. Procedure for Fair Trial. In order to insure fair trial for the accused the following procedure shall be followed:

a. Indictment. The indictment shall consist of a plain, concise, and adequate statement of each

offense charged. Each accused shall be furnished, in adequate time for defense, a copy of the indictment, including any amendment, and of this Charter, in a language understood by the accused.

b. Language. The trial and related proceedings shall be conducted in English and in the language of the accused. Translations of documents and other papers shall be provided as needed and requested.

c. Counsel for Accused. Each accused shall have the right to be represented by counsel of his own selection, subject to the disapproval of such counsel at any time by the Tribunal. The accused shall file with the General Secretary of the Tribunal the name of his counsel. If an accused is not represented by counsel and in open court requests the appointment of counsel, the Tribunal shall designate counsel for him. In the absence of such request the Tribunal may appoint counsel for an accused if in its judgment such appointment is necessary to provide for a fair trial.

d. Evidence for Defense. An accused shall have the right, through himself or through his counsel (but not through both), to conduct his defense, including the right to examine any witness, subject to such reasonable restrictions as the Tribunal may determine.

e. Production of Evidence for the Defense. An accused may apply in writing to the Tribunal for the production of witnesses or of documents. The application shall state where the witness or document is thought to be located. It shall also state the facts proposed to be proved by the witness of the document and the relevancy of such facts to the defense. If the Tribunal grants the application the Tribunal shall be given such aid in obtaining production of the evidence as the circumstances require.

Article 10. Applications and Motions before Trial. All motions, applications, or other requests addressed to the Tribunal prior to the commencement of trial shall be made in writing and filed

(Continued on page 907)

The Record of the Week

Recommendations for the Council of Foreign Ministers

STATEMENT BY THE SECRETARY OF STATE¹

[Released to the press May 15]

The Council should frankly face the facts which it confronts. There are several minor treaty problems which require further study by our deputies or by special commissions which have them under inquiry. There is every prospect of agreement when these studies are concluded. But decisions must await this event. There are also a few major treaty problems upon which the Council is presently divided. Decisions must await further clarification and mutual study in a spirit of good will. In some instances, these decisions may be favorably affected by the reports which we await from our deputies. Our whole purpose is to seek and to find agreement as quickly as possible.

Under these circumstances, it is likely to facilitate our work if the present session of the Council recesses until June 15, permitting each of us to give undivided attention to reexamination of our positions in the hope of finding means of reconciling them. Such use of our time is calculated to be more fruitful than to extend our present session.

The American Delegation has made it clear that it believes we owe our Allied nations an obligation to fix at this time the date of a peace conference. At Moscow, we agreed it should be held not later than May 1. We did not comply with that promise. The United States now urges the peace conference be called either July 1 or July 15, and that we should then submit our agreements and our disagreements, if any, to the advice of our war partners. The Soviet representative has declined so far to agree to this course. Invitations to the Conference cannot be sent except by unanimous agreement. Therefore, the American delegation believes the time has come to recess the Council

until June 15, and, if we cannot agree on the date of the peace conference now, to commit to that session the responsibility for calling a peace conference.

Because we cannot hope for the ratification of a peace treaty with Italy for some months, we should immediately sign the revised armistice with Italy which was agreed in principle ten day ago, so as to release her recuperative efforts as far as possible.

We would urgently recommend also that Austria be put upon the June 15 agenda and our deputies instructed to prepare a draft treaty for consideration of the Council on June 15, so that it may be submitted to the peace conference along with the other treaties.

If we can agree to the above and if we also contemplate the wide area of agreement we have already reached, we may look to the future with confidence that our indispensable unity will be strengthened and preserved.

Therefore, the United States Delegation recommends:

First. That, after considering the German question, this session recess until June 15;

Second. That we now call a peace conference for July 1 or July 15. If this is not agreed to, that we leave to the next session of the Council the decision as to the date of the peace conference;

Third. That we immediately sign the revised armistice with Italy;

Fourth. That there be placed on the agenda for the June 15 session the drafting of a treaty with Austria, the deputies being instructed to prepare in the meantime draft proposals for the consideration of the Council.

¹ Made on May 14, 1946 at Paris, France.

Principles of Trade for Peace and Prosperity

Statement by the

SECRETARY OF STATE¹

[Released to the press May 18]

The interest of the Government of the United States in foreign trade is twofold.

First, the Government is interested in whatever promotes the peace of the world. Second, it is interested in whatever promotes the prosperity of the United States.

It is quite obvious that trade between nations may promote either peace and prosperity or their opposites. The kind of trade conducted by Nazi Germany before the war promoted nothing but the power of the Nazis to make war.

Trade will certainly go on. Whether it promotes peace and prosperity or the reverse will depend on the way in which it is conducted.

The responsibility of the United States Government is not to conduct trading operations—which under our system is the business of private enterprise—but to establish those rules and principles under which trade will most clearly promote peace and prosperity.

The rules which govern traders are necessarily made by governments. Since all foreign trade involves at least two countries, the laws of both are necessarily involved. It is important, therefore, that the action of governments affecting foreign trade should be consistent. That means that they should be based upon agreement.

After the other war this was not understood. The United States acted independently in the regulation of its foreign trade and so did other countries. The results were neither prosperity nor peace.

The world now has a second chance to take a wiser road. It is essential that we reach agreement on sound principles while conditions are still fluid.

It is for this reason that the United States published last December the *American Proposals for Expansion of World Trade and Employment*,² and obtained the concurrence of the British Government in their main heads.

¹ Made on May 19 in connection with the observance of National Foreign Trade Week, May 19-25, 1946.

² Department of State publication 2411.

It is for this reason also that the Economic and Social Council of the United Nations has decided to call an International Conference on Trade and Employment, and has appointed a preparatory committee to lay the groundwork for it. When the preparatory committee meets it will have before it the American Proposals and any other suggestions or recommendations made by any other government.

In the meantime the American Proposals should be studied by every businessman. They state the principles to which it seems to us nations should agree if foreign trade is to contribute to prosperity and peace. We need to know, before international negotiations start, whether the principles suggested are supported by the businessmen of the United States.

The world is at the crossroads. It might move either forward to an era of better understanding, increased opportunity, and peace, or backwards to a new dark age.

The voice of the United States will not be unimportant in the decisions that are taken. It is essential that we speak with wisdom, firmness, moderation, and internal unity.

Admiral Leahy Consults with British Chiefs of Staff

Fleet Admiral William D. Leahy, Chief of Staff, left for England on May 15 to consult with members of the British Chiefs of Staff in regard to expediting details of complete withdrawal of American troops from areas in the Pacific which are now under British Command and repatriation of Japanese in those areas.

President-Elect of Colombia To Visit United States

[Released to the press May 16]

The President-elect of Colombia, Mariano Ospina Pérez, has been invited to visit Washington to be the guest of the Government at Blair House during his forthcoming trip to the United States. The President-elect is expected in Washington on June 5. During his visit he will be received by the President and other high officials of the Government.

American Strength: Our Share in World Peace

BY ACTING SECRETARY ACHESON

THE ORGANIZATION for Rehabilitation through Training approaches its task of helping human beings in the world with deep understanding and the conviction that survival is not enough.

Of course that is the right way to approach the task. Mere survival does not comprehend the capacities or the aspirations of mankind. Mere survival is existence at the animal level, and that is not man's purpose on earth.

The standards by which we act must certainly be sufficient to measure the broader gage of our talents and our hopes.

My father once told me of a visit he had made as a minister of the Gospel to an old man in the community who was very ill. My father asked if there was anything the dying man wished to tell him, and he received the surprising reply that there was nothing to tell. The answer was so unusual that my father said he had never met anyone before who had led a blameless life and that he was very glad to have met one at last. The old man insisted that it was true that his life had been blameless and added, "Why, I've never spent a night in jail."

The proper standard to apply in judging the results of a lifetime is variable as the story indicates. But we can choose one of many standards in whatever field we operate. Certainly this is true in the conduct of foreign affairs.

I know that survival is not enough; we all want to use a much higher standard in determining our foreign policy. However, we are sometimes compelled by events to measure our achievements by the yardstick of an unpleasant reality. I am afraid that the events of the last decade and the prospects of the years just ahead present us with a situation so disturbing that we must use our utmost strength to be sure that tens of millions of people will survive at all.

During the years before the war people in some parts of the world planned and schemed for conquest and people elsewhere lived in fear. These threats and fears communicated themselves to all of our activities. Nations built concrete defenses and great armies and navies, and they constructed

trade barriers and tried to hide behind them. Governments sought special advantages for their businessmen and their products and made secret and discriminatory deals to gain advantage at the expense of their neighbors. Country after country turned to all of the devices of economic warfare in an effort to prepare for the coming armed conflict. Germany and Japan converted their economies to war production, and other nations out of fear followed suit. The result of all of these things was the lowering of living standards and the deterioration of the health standards of millions of people.

And then the war came, and for five years the enemy systematically plundered and starved enormous areas of the world. People everywhere lived on less and worked harder than ever before. Millions died, and millions more suffered and starved. When peace finally came, exhaustion, malnutrition, illness, and confusion gripped the people of Europe and Asia and left them weakened and ill-equipped for the task of rebuilding their countries and again carrying on their usual pursuits. Then came the crushing blow of drought in Europe, Africa, and Asia.

The structure of the New Order and Co-Prosperity Sphere crumbled away, but no new structure arose as if by magic to take its place. Only now are the beginnings of a new life emerging from the chaos; only now are governments and economies beginning again to function and to produce.

We had hoped, and I think expected, that with the end of the war things would change rapidly, that shipments of food would move to the hungry, that raw materials would be found to regenerate industrial production and that men, freed from the necessities of war, would turn their attention to peace with vigor and alacrity. What we had not counted on while the war lasted was that droughts would destroy the promise of new har-

An address delivered before the Women's American Organization for Rehabilitation through Training on May 13 in New York, N. Y., and released to the press on the same date.

vests from the Mediterranean to the rice-producing areas of Asia. What we had not counted on was that farmers and workmen debilitated by years of stringency and coercion could not resume immediately their full activities, and that a little time would be required before they could reap the rich crops and produce the goods for which the world waited.

Only a few days ago the Director General of the Food and Agriculture Organization of the United Nations published a preliminary appraisal of the world food situation. In that appraisal it is stated that the critical world food shortage which we now face will continue at least until the crops are harvested in 1947.

Not until the fall of 1947 is there any hope that world food supplies will come into balance with the urgent needs. The famine emergency will not pass this summer; it will not even pass next summer. World food stocks have been seriously depleted in order to meet the current crisis. Even though some crop improvement is in prospect if we can assume average weather conditions, any wide-spread droughts in the months ahead may be more disastrous than those experienced during the last year. But even if this year's crops and next year's crops come up to expectations, and a point is reached at which the supply of cereals is sufficient to avert starvation on a large scale, the report states, our difficulties will not end. We shall still be faced with a serious shortage of animal products because of decrease in cattle, and it will be several years more before we shall be able to attain a level of world food supply *even equal to the unsatisfactory levels of the years immediately preceding the war*. At that time we may be able to restore health and working efficiency, but it will be far from the abundance for which a hungry world yearns.

Much of the world went on lean rations late in the 30's while the Nazis and the Fascists drove toward war. For more than five years the fighting ran like a prairie fire from area to area leaving waste and starvation in its path. And now we face five years of famine. These are the dry and barren statistics of catastrophe. The effects of prolonged hunger in countries which suffer from conditions left unstable by the course of war, and the impact of a continuing food crisis on a world economic system still shuddering from assaults upon it, are frightening to contemplate.

No, survival is not enough; but today the question that is overwhelming in its implications is

whether mankind can survive, whether civilization can survive. Paralyzing years of an unsteady peace, years of war and years of famine: these are the conditions with which we must deal, conditions under which the Four Horsemen of the Apocalypse ride across the areas of destruction and put the very existence of life in danger.

The compulsions of mere survival shape and guide much of our foreign policy today. These compulsions are so strong that nearly everything we do is directed to the preservation of life and to the preservation of society. In Italy and Greece and eastern Europe people approach the verge of starvation. In India and China famine creeps upon the heels of our efforts at relief. If hundreds of millions of men must fight and scratch for their daily bread, they will care little for the aspirations of the United Nations, they will contribute little to the plans for a freer and more secure world.

We could not do otherwise than devote ourselves to the task of seeing that men live and that our civilization survives. That must come first.

Even before the war ended, the United States took the lead in the organization of UNRRA. We wanted to be ready to meet the requirements of relief and rehabilitation in the areas devastated by the war. For more than a year UNRRA supplies have gone from the contributing countries to those who are suffering, but these needs have not been satisfied. They could not be; they are much too large. The President has established the Famine Emergency Committee and called upon the American people to conserve every possible ounce of food in an effort to meet the needs and narrow the difference between survival and extinction. We have joined the International Bank for Reconstruction and Development and are making a subscription of billions of dollars to it in order to aid in the reconstruction and development of the United Nations. We have negotiated an agreement for a credit to Britain to assist Britain in the reconversion of her industries and the rebuilding of her economy so that international trade can again begin to spread and expand for the prosperity of all of the world. We are a member of the Food and Agriculture Organization of the United Nations, whose task is to study and report on the food and agricultural problems which clamor for attention. The report of the Director General of this Organization, which I have already referred to, will give you some measure of the problems we shall have to solve.

(Continued on page 914)

U. K.-U. S. Guiding Principles for Solving World Food Problems

[Released to the press May 17]

British and American officials announced jointly on May 17 that they had reached agreement on guiding principles which their two Governments should adopt in their common effort to solve the many immediate and longer range problems arising in connection with the world food crisis.

The announcement was made on the departure of Herbert Morrison, M.P., Lord President of the Council, who had flown from London early this week to discuss the wheat crisis with President Truman and other high officials of the United States Government including Clinton Anderson, Secretary of Agriculture, and William Clayton, Assistant Secretary of State for Economic Affairs. L. B. Pearson, Canadian Ambassador in Washington, and other Canadian officials were also present at the conference. Herbert Morrison is now proceeding to Ottawa where he will discuss with the Canadian Government the matters discussed in Washington and other food problems.

The object of Mr. Morrison's visit to Washington was to review the efforts which the two Governments of the United Kingdom and the United States have been making to combat world famine, to agree on general lines of future policy, and to solve certain immediate problems of common concern.

The two Governments are agreed that even more energetic measures are needed throughout the world to secure effective and complete removal of all threat of world famine and that their plans in this respect must be based on the assumption that this threat will continue at least through the summer harvest of 1947. The two Governments are further agreed to consult together in the future, as in the past, on the initiation or removal of any measures of major importance undertaken by them as a contribution to the world effort to prevent famine.

The two Governments have reviewed the requirements and availabilities of bread grains for the period May-September 1946. The maximum supplies presently in sight for this period amount

to only 10 million tons. The total stated requirements for this period were 13.4 million tons. There is an indicated deficiency, therefore, of 3.4 million tons, or about 25 percent.

This deficiency makes it inevitable that severe cuts should be made in requirements previously stated. Recommendations to this end will be submitted to the Combined Food Board by the two Governments. Even after severe cuts there would be a gap of something under 1 million tons between such requirements and available supplies. It will have to be recognized that the cuts proposed in the recommendations must inevitably cause hardship, and a risk of famine remains. This risk can be reduced in so far as other sources of supply can be found in addition to those at present in sight and the two Governments are resolved to do everything in their power to secure these additional supplies.

The United Kingdom representatives have reported fully on the measures of consumer rationing and other economies currently in effect in the United Kingdom, which may be briefly summarized as follows:

Consumer rationing has been continued, and in the case of fats, bacon, dried eggs, meat and preserves, rations have been reduced below the austere low wartime levels. Rations of the British forces in the United Kingdom have twice been cut since V-E Day.

Since the beginning of 1946, the following measures have been introduced:

(a) Increase in the extraction rate of flour:

(i) from 80 percent to 82½ percent on February 24.

(ii) from 82½ percent to 85 percent on March 10.

(iii) from 85 percent to 90 percent during the most critical period May-September.

(b) Reduction in supplies of grain for spirit distilling from 300,000 tons to 130,000 tons.

(c) Reduction in the size of the standard loaf from 2 lb. to 1¾ lb.

(d) Reduction of 25 percent in production of biscuits and similar products.

(e) Reduction of production of cake and flour confectionery by reduction of 25 percent in allocations of sugar and fats for this purpose.

(f) Reduction of beer production to 90 percent of pre-war production in terms of standard barrels.

(g) Inauguration of a campaign to secure a reduction in wastage of food.

In order to increase the output of bread grains, the United Kingdom has continued its wartime policy of land utilization, crop production and disposal with the effect of encouraging cereal production at the expense of livestock. The feeding of millable wheat to livestock continues to be prohibited.

The following measures have been introduced since the beginning of 1946:

(i) Payment of a grant of £2 (\$8) per acre in respect of the ploughing up for the 1946 harvest of grassland which has been down for three years or longer.

(ii) Increase of one shilling ninepence (0.35¢) per cwt. in price of wheat from the 1947 harvest.

(iii) Reintroduction of directions to grow wheat for 1947 harvest in order to secure a minimum target of 2.5 million acres. This means return to the position prevailing up to and including the 1945 harvest. Directions to grow potatoes and sugar beets have been maintained throughout.

(iv) Reduction in rations for pigs and poultry as from May 1 from the basis of one quarter of pre-war numbers to one sixth of pre-war numbers and to one twelfth as from July 1. (It had been originally intended to increase the rations as from May 1 to the basis of one third of pre-war numbers).

As a part of the measures necessary to reduce the deficit in world supplies, the United Kingdom has agreed to reduce its stated requirements, already screened to the minimum necessary to maintain its lowered consumption level, by another 200,000 tons. This may involve: either a reduction in pipe-line stocks to a point at which distribution may be interrupted, with consequent disruption of the industrial economy, or still further restrictions on the austere diet maintained in the United Kingdom for the six years since the beginning of the war.

The United States representatives reported on the measures taken in the United States to achieve

greater production and to switch agriculture and available supplies away from the wartime emphasis on livestock products and over to a maximum production of bread grains directed to human consumption. Among other measures the United States has taken the following steps to attain maximum exports of grain:

1. Substantial increases in the ceiling prices of grain for export, to replace earlier export premiums of 30 cents per bushel on wheat and corn.

2. Increase of the extraction rate of flour to 80 percent.

3. Limitation on millers' inventories, including grain purchased and in transit, to a 21-day supply. Actual inventories are in many cases even less, averaging two weeks' supply, with some of the big mills already shut down.

4. Prohibition of the use of wheat and wheat products for alcoholic beverages and severe curtailment of such use of other grains, including limitation to 24 hours' run per month in the manufacture of alcohol and a cut in beer production to 70 percent of the 1945 level.

5. Restriction on the purchase of grain and grain products by livestock feeders to amounts designed to limit the weight of hogs and cattle and the numbers of poultry.

6. Limitation of the use of grain by mixed-feed manufacturers to 80 percent of the 1945 use.

7. A similar 80 percent limitation on the use of corn or sorghum grain in syrups, etc.

The United States production problem differs from the British in that it requires an extensive change from agricultural policy established to meet wartime demand, instead of a further development along wartime lines as in the case of Great Britain. The measures recently adopted for diverting grains into human consumption and for cutting down consumption by livestock are only now beginning to have their full effect.

The two governments reaffirm their belief that common measures should be taken in all zones of Germany with respect to the collection of indigenous foodstuffs, the setting of common ration standards and the adoption of a common basis for calculating import requirements. Since the timing of these measures must be left to agreement in the field, the British and American Zone commanders will be immediately requested to set in motion the necessary consultations to achieve

these objectives in their respective zones and the French Zone (these being the areas for which the Combined Food Board makes allocations). It was also deemed desirable that the ration scale in the British and French Zones of Germany should be adjusted upwards to the level prevailing in the United States Zone at the earliest feasible date and to this end full and intensified efforts should be continued in each Zone to achieve maximum utilization of food resources. It is also agreed that special emphasis should be placed on miners' rations in order to secure a maximum output of coal.

The United States Government has reviewed

the Japanese import program in order to insure that except to the extent that the Supreme Commander of the Allied Powers determines that imports are essential immediately for the safety of the occupation forces, no imports shall be permitted which will have the effect of giving to the Japanese a priority or preferential treatment over the requirements of the people of any Allied power or liberated area. The conclusion has been reached in the discussions that the low level of feeding contemplated by the current program may not suffice, even if fully met, to provide the minimum essential for the safety of the occupation forces.

Famine Report to the President

REPORT OF THE HOOVER MISSION

[Released to the press by the Department of Agriculture May 14]

May 13, 1946

DEAR MR. PRESIDENT:

We have completed your instructions to survey the principal nations affected by food shortages which have resulted, or may result, in widespread famine; to evaluate the minimum needs of these areas until the next harvest; and to discover such additional food resources as possible. In accordance with your instructions, we have also presented the American point of view on the food problem to these nations and the interest and understanding of our people in their plight. Finally, we have constantly advised American officials and the American public as to the situation as we found it.

We have traveled some 35,000 miles, visited twenty-two countries which have a deficiency of food, and informed ourselves of the situation in several others. The only country of large reported deficiency we did not visit was the Union of South Africa. We visited five self-sufficient or surplus countries and informed ourselves of the situation in other consequential surplus nations.

The dominant need of the world in this crisis is cereals, particularly wheat and rice. There is great need of fats and special food for children, but as cereals can furnish 85 per cent of an emergency diet, we considered cereal requirements were the first concern, and the best indicator. If a founda-

tion of bread can be assured, and as much fats and children's food as possible, mass starvation can be prevented.

At the time of our departure, the Combined Food Board's estimate of the available cereal supplies from surplus countries showed a deficit as compared with stated requirements of 11,000,000 tons, or 43 per cent.

Requirements - We attach hereto (Table I) a country-by-country, month-by-month minimum program of required cereal imports to the deficit and famine areas from May 1st to September 30th.

These programs represent a considerable reduction from the hitherto stated requirements of the various nations. The amounts have in most cases been agreed upon by their governments. In the case of China, we regret to say our program is less than minimum need but is all, or more, than can be transported inland to the famine areas. The totals are:

Europe.....	8,390,000 tons
Latin America.....	1,000,000 tons
South Africa and New Zealand.....	198,000 tons
Middle East.....	100,000 tons
Indian Ocean area.....	2,886,000 tons
Pacific Ocean area.....	1,910,000 tons
TOTAL	14,484,000 tons

Of course, every country would be better off if more could be furnished.

Supplies - We have found some increases in supplies possible during the crisis through development of certain new sources of supply; through additional loans of cereals from early-crop countries which may not themselves have annual surpluses; through substitution of other cereals for wheat and rice; and as a result of conservation up to this time.

Our estimate (Table II) of Probable Supplies as of May 1st to September 30th are:

From	
United States.....	4,220,000 tons
Canada.....	2,300,000 tons
Australia.....	992,000 tons
United Kingdom.....	200,000 tons
Argentina.....	2,375,000 tons
Brazil.....	200,000 tons
Other Western Hemisphere	
States.....	40,000 tons
Burma.....	75,000 tons
Siam.....	195,000 tons
Russia to France.....	300,000 tons

TOTAL..... 10,897,000 tons

Therefore the gap in supplies between May 1st and September 30th can be reduced to about 3,600,000 tons, as against an 11,000,000 tons gap in the earlier appraisals.

In addition to the above supplies there is a "possible" about 1,500,000 tons more, as indicated in Table III.

We are confident that if until the end of August, there can be further vigorous conservation in surplus countries, mainly wheats and fats, and more energetic cooperation between nations, the remaining deficit can be largely overcome. The cooperation of Russia and the Latin American States would greatly aid in meeting the problem. If mass starvation is to be prevented it will require constant effort.

It is of interest to note that the quantities which are provided by UNRRA as charity comprise about 20 per cent of the world's cereal needs, whereas nations representing 80 percent are being financed by the importing countries themselves. But the need in these latter is no less urgent.

You will recognize that these statements are estimates. They, however, comprise a reasonable basis upon which to formulate policies.

We wish to express our especial appreciation of the unfailing aid and courtesy of the Secretaries of Agriculture, State and War, and the American officials abroad. We are also deeply indebted to Generals George and Saville of the Air Transport Command, their efficient crews, and for their provisions for our comfort and safety.

Yours faithfully,

HERBERT HOOVER
D. A. FITZGERALD
HUGH GIBSON
W. HALLAM TUCK
PERRIN C. GALPIN
MAURICE PATE

TABLE I

CEREAL REQUIREMENTS (INCLUDING RICE)

EUROPE

Minimum Arrivals Required During Crisis Period

(Loadings at seaboard about 30 days earlier)

Based on not to exceed 300 grams cereals per person per day

Country	Population Millions	(Thousands of Tons)					
		May	June	July	Aug.	Sept.	Total
*France.....	39.1	350	350	350	350	350	1,750
*North Africa.....	12.0	100					100
*Italy.....	41.5	225	225	225	100		775
*Switzerland.....	4.2			30	30	30	90
*Czechoslovakia.....	13.5	60	60	60	60	50	290
*Poland.....	23.5	85	85	85	85		340
*Finland.....	3.8			25	40	40	105
*Norway.....	3.0				30	30	60
*United Kingdom.....	47.5	400	400	400	400	400	2,000
*Belgium.....	8.0	60	60	60	60	60	300
*Holland.....	9.0					80	80
*Germany:							
Am. Zone.....	18.0	50	50	50	65	60	275
Br. Zone.....	23.3	180	180	180	180	180	900
Fr. Zone.....	6.0	30	45	45	45	30	195
Russ. Zone.....							
*Austria.....	7.0	30	55	55	55	30	225
Spain.....	26.0	60	60	60	60		240
Portugal.....	8.0	30	30	30	30		120
Albania.....	1.0	5	5	5	5		20
*Yugoslavia.....	16.0	50	50	50	50	50	250
*Greece.....	7.5	55	55	55	55	55	275
EUROPE TOTALS.....	317.9	1,770	1,710	1,765	1,700	1,445	8,390

LATIN AMERICA

Latin-America.....	200	200	200	200	200	1,000
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*Visited by the Mission.

NEW ZEALAND AND SOUTH AFRICA

Country or Province	Population Millions	(Thousands of Tons)					
		May	June	July	Aug.	Sept.	Total
New Zealand.....			9	9	0	0	18
South Africa.....		40	40	40	30	30	180
		40	49	49	30	30	198

NEAR EAST

Near East.....	20	20	20	20	20	100
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INDIAN OCEAN

(Loadings from Eastern Hemisphere 1 month and Western Hemisphere 2 months earlier)

*INDIA (Provinces affected):						
Bombay.....	22.0	55	85	95	95	330
Mysore.....	7.6	14	25	25	25	114
Madras.....	51.4	210	170	170	170	890
Transv.....	6.5	18	10	10	10	58
Cochin.....	1.5	8	7	7	7	36
Deccan.....	2.9	43	19	19	19	119
Behar.....	37.9	19	14	20	20	93
Un. Provinces.....	57.6	24		60	60	144
Bengal.....	61.3		90	106	106	302
Other.....		50	50	50	50	250
Ceylon.....	7.0	60	60	60	60	300
Malaya & Straits Settlements.....	3.6	50	50	50	50	250
TOTAL.....		496	460	586	672	2,886

PACIFIC OCEAN

*Philippines.....	14.0	12	12	12	12	60
*China ¹	220.0	120	150	200	200	870
*Japan.....	75.0	50	250	270	200	870
*Korea ²	14.0	15	30	45	10	110
		197	442	527	422	1,910
GRAND TOTAL.....		2,723	2,881	3,147	3,044	14,484

SURPLUS OR SELF-SUFFICIENT COUNTRIES

*Sweden.....	6.2					
*Denmark.....	3.8					
Hungary.....	9.1					
Rumania.....	12.1					
Bulgaria.....	6.5					
*Egypt.....	17.3					
*Iraq.....	4.0					
*Siam.....	14.0					
TOTAL.....	73.0					

TABLE II

POSSIBLE WORLD CEREAL SUPPLIES FROM SURPLUS AREAS (May 1 to Sept. 30)

	Second Quarter Loadings (April-May-June)			Loadings in July and August			Total
	(Thousands of tons)						
	Wheat	Coarse grains	Rice	Wheat	Coarse grains	Rice	
U.S.A.....	2, 200	500	20	1, 400	100	4, 220	
Canada.....	1, 650	150		400	100	2, 300	
Australia.....	700		17	275		992	
United Kingdom.....	200					200	
Argentina.....	500	800		275	800	2, 375	
Brazil.....		50	60		50	200	
Other Western Hemisphere States.....			40			40	
Burma.....			40		35	75	
Siam.....			75		120	195	
Russia to France.....	150			150		300	
	5, 400	1, 500	252	2, 500	1, 050	10, 897	
GRAND TOTAL: (Wheat—7,900; Coarse grains—2,550; Rice—447)							10, 897

TABLE III

FURTHER SUPPLIES POSSIBLE

	Second quarter loadings (April-May-June)			Loadings in July and August			Remarks	
	(Thousands of tons)							
	Wheat	Coarse grains	Rice	Wheat	Coarse grains	Rice		Total
Indo-China			50			50	50	Surplus Provinces.
Iraq		125			100		225	
India					200		200	
Punjab and Sind	100			100			200	Could be borrowed.
Egypt	30		10	50		25	115	Could be borrowed.
United Kingdom	300						300	Released stocks.
Russia to France	75						75	
Siam						200	200	
Iraq (dates)	505	125	60	150	300	225	1,365	
							140	
							1,505	

¹ Utmost capacity of inland transportation.² American Zone.

*Visited by the Mission.

TABLE IV

PROVISIONAL BALANCE SHEET OF WORLD REQUIREMENTS AND SUPPLIES

(Thousands of tons)

Minimum Cereal Requirements	
Europe.....	8,390
Latin-America.....	1,000
Southern British Empire.....	198
Middle East.....	100
Indian Ocean.....	2,886
Pacific Ocean.....	1,910
	14,484
Cereal Supplies Probable	
April-May-June Loadings.....	7,202
July-August Loadings.....	3,695
	10,897
Deficit Probable.....	3,587 tons or 24 percent
Further Possible Cereal Supplies.....	1,505

Thus, the requirements were revised downward by 4,000,000 tons and the supplies revised upward, through new sources developed, effect of conservation, drafts on earlier crops in some countries, etc., 3,000,000 tons.

The estimated gap as of May 1st, 3,600,000 tons.

TABLE V

COMPARISON OF THE COMBINED FOOD BOARD BALANCE SHEET OF MARCH 1, 1946 (retrospective to Jan. 1, 1946) AND HOOVER MISSION BALANCE SHEET AS OF MAY 1st, 1946

	(Thousands of tons)			
	Stated Requirements	Estimated Supplies	Deficit	Deficit Percent
Combined Food Board				
Jan. 1-Sept. 1.....	25,900	14,900	11,000	42.5
Shipments to May 1.....	7,000	7,000		
Original Balance as at May 1.....	18,900	7,900	11,000	56
As Revised by Hoover Mission:				
May 1-Sept. 1.....	14,484	10,900	3,587	24
	-4,000	+3,000	-7,413	

Status of American International Broadcasting

[Released to the press May 18]

Assistant Secretary of State William Benton made public on May 18 statements from five radio executives on the status of American international broadcasting and the importance of maintaining adequate programs in the future. He released also statements from Charles R. Denny, Acting Chairman of the Federal Communications Commission, and Paul Porter, former Chairman of the Commission.

In releasing the statements Mr. Benton pointed out that the House of Representatives recently cut the State Department's requested appropriation for international-information work from \$19,284,778 to \$10,000,000. He stated that if this cut is sustained by the Senate the Department will be compelled to abandon all support for international short-wave broadcasting, because the large fixed engineering costs cannot be fitted into the reduced budget.

The statements were made in response to an inquiry by Mr. Benton for reactions to this contingency. They have been submitted to the Senate Appropriations Committee.

The five radio executives, all of whom are officers of private licensees which have done pioneering work in the short-wave field and are now broadcasting under contract with the State Department, are:

J. D. SHOUSE, Vice President in Charge of Broadcasting, The Crosley Corporation, Cincinnati, Ohio.

FRANK STANTON, President, Columbia Broadcasting System, New York, N. Y.

PHILIP D. REED, Chairman of the Board, General Electric Company, New York, N. Y.

WALTER EVANS, Vice President, Westinghouse Electric Corporation, Baltimore, Md.

Brig. Gen. DAVID SARNOFF, Chairman of the Board of the Radio Corporation of America, New York, N. Y.

"These are the people who have had the most experience in international short-wave broadcasting, who have studied it most carefully and are in the best position to judge its value", Mr. Benton said in releasing the statements. The statements follow:

Letter from the Vice President in Charge of Broadcasting, The Crosley Corporation

May 6, 1946.

DEAR MR. BENTON:

Long before Pearl Harbor our Company had been deeply and vitally interested in international shortwave broadcasting. We have been exceedingly proud of certain pioneer contributions which we have been able to make in the field of high-power broadcasting in the international band.

Prior to our entry into the war, as a matter of private initiative, we operated W1WO, designed and built by our organization at powers from seventy-five to one-hundred kilowatts. The operation and programming of this station was quite expensive, and involved a loss to us of between \$75,000 to \$100,000 a year.

Shortly before our entry into the war, we advocated strongly the plan under which the operation and programming of the shortwave stations in the United States were taken over by the Office of War Information. In the considered belief that international shortwave broadcasting, during either times of conflict or during times of international stress, might best be conducted as an adjunct of those agencies of our government charged with the official delineation of our policies, with reference to the other nations and peoples of the world, our Company, I feel, has made one of its great contributions to the country during the war years in the design, development and construction of the tremendous transmitting plant and facilities at Bethany, Ohio.

I am writing this letter to reaffirm our belief in the continuing importance of international broadcasting as a matter of national policy. I feel it extremely difficult to believe that private industry can, at the present time, assume the terrific operating loss which would ensue if international broadcasting were to be turned back to private industry. Every broadcaster faces the likelihood and the necessity of making, during these next few years, large capital investments in the fields of Television and Frequency Modulation.

I feel fearful that regardless of how strongly some of us may feel about the need for retaining the position which our country finally developed in the field of international broadcasting, the financial burden would be impossible for many of us to absorb without a great and perhaps tragic diminu-

tion of the effectiveness of portraying to the rest of the world United States policy and thinking on matters of international import.

These international stations represent the only sure and certain means by which this country can make sure that in the years to come the people of other countries can learn directly what the United States stands for, what our people believe in, and why our position on any matter of international misunderstanding or controversy has been taken. All other means of mass communication are susceptible to either censorship or can be refused entry at the border of any country. This is true of cable communication. It would be true of point to point communication. It is certainly true in the case of newspapers, magazines, pamphlets and periodicals, as well as in the field of literature itself.

The United States, from the standpoint of radio broadcasting as a means of mass communication, is already at a tremendous disadvantage geographically. As inefficient and ineffective, perhaps, as international shortwave broadcasting is, we still must recognize that because of our geographical position with reference to both the Asiatic and European population masses, we suffer a tremendous handicap. Certainly England, in her location just off the continental coast, need not rely on international shortwave frequencies to propagandize, in the proper sense of the word, the many nationalistic population masses in Europe. Because of her location, she can do a much better job in the medium and long wave bands, and no continental government would have very much chance of preventing her from using medium and long wave transmitters located in England to further England's interests, both politically and ideologically on the continent.

The same thing, of course, would apply to any other continental power. So, too, in the Far East. Our ability to control, and on long and medium wave transmitters to reach the big Asiatic population masses, is far from being secure. This reduces the United States then to the sole and peculiar position of being forced to rely upon direct international shortwave broadcasting—a poor substitute, admittedly, but nevertheless the only broadcasting facility completely in our hands and under our control.

Then, too, in times of stress, agreements which might now be negotiated to provide for rebroad-

casting, in any particular country, of programs beamed point to point from this country might be arbitrarily withdrawn, in which event, of course, we would, from a broadcasting standpoint, be left completely defenseless.

We, therefore, advocate strongly, because of the factors enumerated above, and as the result of our close experience with and familiarity with the field of international transmission, a proper provision to insure adequate facilities in this field for the United States.

We wish to assure you, as a result of the foregoing, that we have no fear, whatever, of our government using a continuing subsidy of international shortwave broadcasting as a means of encroaching upon our American system in the domestic field. Further, I am sure that from what I have said my interest and concern with this problem is apparent. Both during the war and immediately after the war, I had occasion to spend some time in England. I have had the opportunity of discussing the importance of international shortwave broadcasting with the representatives of a great many other nations, who have, from time to time, visited Cincinnati to study our transmission facilities.

Feeling as strongly as I do about this subject, I wish to assure you of my desire to cooperate with your department in any possible way that might be constructive.

Very sincerely,

J. D. SHOUSE

Letter from the President, Columbia Broadcasting System

April 30, 1946.

DEAR MR. BENTON:

The Columbia Broadcasting System believes that democratic shortwave international broadcasting is important to the United States in its world relations.

CBS has had a long and continuing interest in shortwave international radio. Prior to the outbreak of World War II it seemed to us that a definite and intelligent plan of regular broadcast service to foreign countries could play a most important part in improving the world position of the United States. It was with this thought in mind that Columbia organized La Cadena de la Americas, the Network of the Americas, and inaugurated at its own expense a multi-lingual prewar

program service both to Latin America and to Europe.

Columbia's work in the international field during the war in association with the various services of the Government has further convinced us that one of the best ways of enhancing and maintaining the prestige of the United States among the peoples of the world is by making available to these peoples day-by-day uncolored, undistorted and truthful information about our own country and our own people. We believe that shortwave broadcasting is a most essential instrument for the direct and uncensored dissemination of such information in peace as well as during war.

How this instrument can be used to the best advantage of our country may well require further study by our Government, by the broadcasting industry and others interested in the problem. It seems to us of paramount importance, however, that the present scale of operations not be abandoned or diminished while a permanent peacetime plan of operation is being developed. Otherwise we believe that the favorable position of our country in the international field may be seriously jeopardized.

The dangers incident to even a temporary interruption of international shortwave broadcasting are so great that we feel it both proper and necessary for us to make this recommendation to you, even though the present plan of operation is definitely a wartime emergency system and subject, perhaps, to entirely proper criticism on that ground.

Sincerely yours,

FRANK STANTON

Letter from the Chairman of the Board, General Electric Company

May 3, 1946.

DEAR MR. BENTON:

You have asked for my view as to the importance of continuing the Government's foreign broadcasting activities pending full consideration by the Congress of the State Department's proposed program in the field of foreign informational activities.

As you know, I spent two and a half years during the war in the European theater of operations as Chief of the United States Mission for Economic Affairs, in London. In that connection I had an opportunity to observe at first hand the

work of our government, both civilian and military, in the broadcasting field. I was able also to compare it with corresponding activities of other governments.

I am convinced that our country must maintain adequate foreign information broadcast service. The presentation of a factual, colorful day-to-day picture of the American scene is, in my judgment, an essential part of any program for maintaining friendly relations abroad. If we do not do so, we shall fail to derive the benefits of the tremendous advances in international communications to the development of which American scientists have made such notable contributions.

I believe that the operation of an international broadcasting service should be in private rather than in governmental hands. The immediate problem appears to be that the private owners of international broadcast facilities would be unable to render anything like an adequate foreign broadcast service without incurring very large operating deficits. In other words, program sponsorship by commercial organizations would not, in their judgment, produce sufficient income to cover more than a small fraction of the cost. This means that, for the present at least, if an adequate broadcasting program is to be maintained the Government will have to shoulder most of the cost.

In my judgment it would be a great mistake to discontinue the present foreign broadcasting activities pending careful study of the entire problem and adoption of a permanent plan. I very much hope that Congress will appropriate sufficient funds to permit the present service to be continued on an interim basis which I would hope need not exceed one year.

Sincerely yours,

PHILIP D. REED

Letter from the Vice President, Westinghouse Electric Corporation

May 1, 1946.

DEAR MR. BENTON:

It has recently come to my attention that the appropriation requested by the State Department including an item for shortwave broadcasting has been reduced to the point where International broadcasting may have to be eliminated from the program.

The Westinghouse Company has been operating shortwave International broadcasting stations

since 1925 and with these years of experience we are firmly convinced that shortwave is one of the most effective ways to reach the people of other nations. It would seem to us to be a great mistake for the Government to abandon at this time the use of shortwave facilities which is one of the very few ways that wide coverage can be attained for the story which our nation has to tell during these troubled days.

Opinions differ as to the manner in which these stations should be operated. Whether or not they are maintained by private enterprise, by Government subsidy, by a holding company or by a department or bureau of the Government, we feel that nevertheless the use of shortwave to reach the people of other nations should be preserved.

Sincerely yours,

WALTER EVANS

Excerpts from a Memorandum to the Secretary of State in January 1943 by Brig. Gen. David Sarnoff, President of the Radio Corporation of America. General Sarnoff reports that this memorandum still represents his views.

If it is good reasoning to conceive that in the postwar world our interests will require no less an effort than the present one, and quite probably an even greater one, we shall need at the start not less than \$15,000,000 or \$20,000,000 a year for international radio activities, as well as unification of purpose and policy. Where can the money come from, and who will unify our purpose and policy?

1. Private industry cannot be expected to supply the necessary service on an adequate basis, because it can supply services only from income derived therefrom. No such income is foreseeable if the total income of United States concerns from all international broadcasting was \$200,000.

2. Moreover, there are many questions of national and international policy to be considered in financing international broadcasting on a basis of commercial advertising. Some nations do not permit commercial advertising on the radio in their own territory. They are, therefore, likely to resent the "importation" of such advertising when they deny that right to their own nationals at home.

3. Those seeking to extend their international export markets are expected to take local advertising in the local press and on the local radio; hence, international broadcasting may be considered to

be competing, and denying revenues to the radio and the press of the countries where the markets are sought.

It does not seem that international broadcasting with all its national and international implications constitutes a field for private competition, or even if it did, that it represents a field with adequate commercial revenue to provide the very large sums needed to render a public service of genuine world magnitude.

Letter from the Acting Chairman, Federal Communications Commission

May 7, 1946.

MY DEAR MR. BENTON:

This will confirm the conversation which I had this morning with Mr. Bracken of your Department on the subject of international broadcasting.

As I told Mr. Bracken, it appears to us here at the Commission that the Congress must make the decision as to whether the United States shall engage in international broadcasting, the extent to which such operations shall be carried on, and the proper agency for conducting such operations. This particularly involves a settlement of the question of whether shortwave broadcasting should in the future be conducted by an instrumentality of the Federal Government or whether responsibility in this field should be turned back to the radio broadcast industry. I understand that in the near future the State Department, through the Bureau of the Budget, will recommend to the Congress specific legislation on this point. While this Commission has not yet been asked to take a position on the specific proposals that are to be made, we do feel that it is important that some concrete proposal be made promptly to the Congress so as to afford a basis for consideration, discussion and settlement of these important problems. In the meantime, that is until Congress shall have had an opportunity to consider the legislation which you are about to propose, it is the view of the Commission that it is important that Congress maintain the status quo by providing sufficient appropriations for the continuance beyond June 30, 1946 of the present arrangements whereby the United States Government, through the Department of State, leases and programs this country's shortwave broadcast transmitters.

If Congress does not provide for the continued

State Department operation beyond June 30, then this Commission would on that date be confronted with the question of whether it should authorize a resumption of shortwave broadcast operations by the seven private corporations which were licensed prior to our entry into the war and whether additional private operations should be authorized. This would involve the decision by the Commission of a very fundamental question of policy which we believe Congress to be in the best position to decide. Accordingly, it is our hope that Congress provide for the preservation of the status quo until it has had an opportunity to consider the bill that your Department is about to present. Hearings on this bill will afford an opportunity for obtaining the views not only of the State Department, the Commission and other interested government agencies, but also the views of the broadcast industry and other groups which are interested in seeing the proper solution of this very important problem.

The Commission, of course, is not at this time taking any position on the question of how these problems should ultimately be resolved, nor do we take any position on the amount of funds that will be required in order to preserve the status quo long enough to afford an adequate opportunity for Congress to decide these questions. For the present we simply take the view that the problems are so fundamental and so important that they should be decided by the Congress and that in the meantime the status quo should be preserved.

By direction of the Commission

CHARLES R. DENNY

Letter from the Administrator, Office of Price Administration

May 7, 1946.

DEAR MR. BENTON:

I believe that sufficient funds should be appropriated to permit international radio to continue until such time as the Congress has had the opportunity for considering the whole matter of international broadcasting through the medium of legislation.

It is my understanding that this legislation is now being drafted for submission to the Congress by the State Department.

Sincerely yours,

PAUL PORTER

International Broadcasting—A National Responsibility

Article by WILLIAM T. STONE¹

THE INTERNATIONAL BROADCASTING DIVISION of the State Department is engaged in educational radio. Many people today are concerned principally with the education of our own people, who share at least a common background and vocabulary. Our international student body, however, lacks the background and the elementary information which permit an understanding of even the most commonplace aspects of American life.

From a technical viewpoint, short-wave radio has come of age and is now accepted as a reliable means of broadcasting over distances impossible for medium wave. Much of the early work done on these frequency bands was by experimenters and amateurs who in many cases obtained amazing results. The potentialities of high frequencies for broadcasting long ago were recognized by commercial communication organizations, but until recently there was no urgent need for short wave.

Before the war short-wave broadcasting in this country was conducted by six private licensees with 13 transmitters. In the early stages of the war our Government recognized that short-wave broadcasting was strategically important as a medium for expressing hope and encouragement to support our war effort. New facilities were constructed and modern, powerful installations were built. Short-wave transmission proved its ability to serve remote parts of the world.

In Latin America all of our feature programs—that is, programs designed especially to inform the listener of how our Government operates and of how our people live—were rebroadcast over the 130 local stations affiliated with the NBC and the CBS. Many of our programs outstripped local productions in popularity and brought a dramatic, realistic interpretation of the good-neighbor policy into the homes of our southern neighbors.

With the defeat of Germany, we began to swing our whole mechanism into dealing with post-war problems. As an agency of peace international broadcasting became more important than ever before. Having proved its reliability through contributions to the war effort, it was in a strategic position to work for the peace.

The immense expansion of our overseas broadcasting during the war gave us an effective means of reaching peoples of many lands regardless of national boundaries or censorship. Through international radio we express the ideals of the American people through factual news and commentary, music, drama, and special events. We explain the functioning of democracy. We describe our customs and our institutions, and we document the myriad aspects of our everyday life in city and country.

What will happen to American short-wave radio in the years ahead will of course depend upon our elected lawmakers in the Congress. The State Department recognizes the "Voice of America" as an effective instrument of peace and good-will and regards its operation as a national responsibility. The position that our country has gained as a result of the war charges us with a responsibility which we cannot refuse to assume.

Why should we bother with international broadcasting? For one thing, short-wave radio is the only medium of information which can operate throughout the world without regard for international boundaries. It is the most effective means of putting the facts of America before the

¹ This article is based on an address that Mr. Stone gave in Columbus, Ohio, on May 4, 1946 before the Institute for Education by Radio. Mr. Stone is Director of the Office of International Information and Cultural Affairs, Department of State.

bar of world public opinion and of combating misinformation. Here is an example:

Recently a Belgrade newspaper dramatically reported six million unemployed in the United States. The article pictured chaos in America. (Pre-war Yugoslavia had a population of 15,703,000 people.) The Belgrade newspaper did *not* report that we had 50,000,000 people gainfully employed in the United States. In addition the figure was incorrect; actual unemployment at the time was estimated to be 2,700,000 by the Bureau of Labor Statistics. Our job, of course, was to report the facts.

To do a job commensurate with the needs of the American people, short-wave radio must be geared to serve the entire world. Adequate global short-wave coverage requires a broad and complicated language pattern and embraces numerous problems of dialect, program types, and frequencies and facilities use. Many areas of the world present political problems which have repercussions all over the world and with which the United States must reckon. Some of these areas are now shielded by the curtain of censorship, through which only radio can pass. In many areas the short-wave program represents the only source of news which cannot be censored or controlled locally at the receiving location.

The public interest requires that international radio be adequately financed. As a means of expressing America, its culture and its ideals, short-wave radio will pay incalculable dividends to the American taxpayer. The United States cannot afford to do a second-rate job on a first-class medium of information which other nations use so extensively and intelligently to present their views to the world.

International broadcasting is not confined to the Soviet Union, the British Empire, and the United States. The French, Spanish, Dutch, Swedes, Finns, Chinese, and Latin Americans—49 nations in all—are in the international-broadcasting field. Out of 18 hours a day beamed to North America, the BBC originates specifically for the North American audience 12 hours and 45 minutes a day of programs. To do this, BBC uses nine transmitters throughout the day beamed to the United States. The French are beaming 1 hour and 45 minutes a day on the North American circuit. The Swedish radio beams 1 hour a day on North America, and the Finns have nearly 5 hours weekly beamed to the United States.

Perhaps most of you are not familiar with our programs. *News*—factual reports of the news of the day—constitutes about 15 percent of our output. The balance of our programing embraces a variety of program types. *News commentaries*, which are a presentation of American opinion gleaned from editorial comments from throughout the country, are dedicated to the purpose of properly orienting the listener so that he can evaluate the news as factually given to him. *Special events*, of which the United Nations Security Council broadcasts are a good example, give full treatment of significant events and of people of importance to the United States. *Musical programs* embrace the finest music of our country. *Expert information programs*—panels of experts from American business and Government—impart expert information to answer the questions of the listeners. *Documentations* of progress of American science, medicine, arts, and crafts are presented by skilful dramatizations. *Special features*, employing two or more voices, are designed to bring the daily occurrences in American life which are of keen interest to foreign listeners.

In international broadcasting we have from the beginning recognized the great potentialities for educational programs. During the war there were, of course, great limitations on educational radio via short wave. But even then we were able to present, especially for our Latin American listeners, educational programs which were of tremendous influence.

One of our most successful educational programs now is *Radio University*. This program, started in December 1944, enjoys the enviable distinction of having been on the air 350 times. *Radio University*, broadcast by short wave and relayed locally in Italy, consists of lectures, discussions, and round tables presented by eminent authorities in the fields of agriculture, Americana (biographies, Constitution, courts, industry, Government, civil law, public law, philosophy), art, books, economics, education, international affairs, medicine, pure science, applied science, and social work. Prominent educators, Government experts, economists, writers, critics, and artists contribute to this educational series. *Radio University* enjoys great popularity in Italy.

Radio University was introduced recently in Polish-language broadcasts to Poland, where listener clubs carry on the discussion after the broadcasts, and plans are complete now for intro-

ducing *Radio University* to all other International Broadcasting Division European-language programs and to Latin America.

We are now broadcasting once weekly in all European languages a script entitled *Care of the Child*. Prepared by a physician who is acquainted with conditions in post-war Europe, and with the counsel of UNRRA, these scripts instruct European listeners on the care of children under abnormal conditions.

One of our most popular dramatic series on American literature was *Cuentos de America* (Stories of America), which was broadcast to our vast Latin American audience. Other important educational programs on the Spanish American beam are *Hacia un mundo mejor* (Toward a New World) and *Preguntas y respuestas* (Questions and Answers).

Programs like the French *A Vos Ordres* and the German *Wir Antworten* are devoted entirely to answering questions received from listeners.

With our limited resources and air time, we have by no means exhausted the potentialities for doing educational work by international radio. We have just made a beginning.

We regard it as a task of international radio to contribute generously toward the development of good citizenship throughout the world, just as domestic radio plays a leading role in the development of good American citizenship. By educating the youth of the world along such vital themes

as tolerance, by developing a broader understanding of each other and each other's institutions, by supplying the tools of education, the information, the knowledge, the objectivity of education—by a carefully planned and systematic presentation of such ideas—international radio can help in building good world citizenship.

An important phase of our operations is the coverage of the United Nations Security Council hearings in New York. The International Broadcasting Division has established an exclusive short-wave network for this service. The United Nations Network presents a running translation and description in French and English. In addition, our different language programs with established short-wave audiences throughout the world have been designated to cover the United Nations. Recapitulations of the day's Security Council happenings, background and descriptive material, statements by delegates and other speakers, plus special events are carried. The United Nations Network embraces five stations using eight frequencies.

That is roughly the picture of international broadcasting from the United States. As we stand now on the threshold of peace, we recognize short-wave radio as a powerful instrument of international information. Through experience we have obtained a perspective on international radio. We know its potentialities and we know how to use it.

MILITARY TRIBUNAL—Continued from page 899.

with the General Secretary of the Tribunal for action by the Tribunal.

Section IV

POWERS OF TRIBUNAL AND CONDUCT OF TRIAL

Under Article 13, Evidence

d. *Judicial Notice*. The Tribunal shall neither require proof of facts of common knowledge, nor of the authenticity of official government documents and reports of any nation nor of the proceedings, records, and findings of military or other agencies of any of the United Nations.

Under Article 15, Course of Trial Proceedings

e. The prosecution and each accused (by counsel

only, if represented) may make a concise opening statement.

e. The prosecution and each accused (by counsel only, if represented) may examine each witness and each accused who gives testimony.

f. Accused (by counsel only, if represented) may address the Tribunal.

By command of General MacArthur:

RICHARD J. MARSHALL

Major General, General Staff Corps, Chief of Staff.

OFFICIAL:

/s/ B M FITCH

/t/ B. M. FITCH,

Brigadier General, AGD,

Adjutant General.

Policy on Trade Privileges in Ex-Enemy States

[Released to the press May 13]

Text of letter dated May 9 from Acting Secretary of State Dean Acheson to Mr. Jack Frye, President, Transcontinental and Western Air, Incorporated

MY DEAR MR. FRYE:

Reference is made to correspondence with respect to the agreement between your company and the Italian Government for the organization and operation of an air line to conduct air transport services within Italy.

The Department has given very careful consideration to your request that steps be taken to protect your interest in Italy, in the light of the overall interests of the United States. It has come to the conclusion that in view of the policy of the United States Government which is opposed to granting or obtaining of exclusive trade privileges in ex-enemy states by the interests of any one power, the Department cannot intercede on behalf of your company with the Italian Government as long as the contract provides that Linee Aeree Italiane will have the exclusive right to conduct air transport operations over the extensive routes specified therein.

In the event that the contract should be modified to omit this exclusive feature, the Department is prepared on behalf of the United States Government to urge the Italian Government to proceed with the implementation of the agreement. The position of the United States in this connection is being made known to the British Government.

Sincerely yours,

DEAN ACHESON
Acting Secretary

[Released to the press May 13]

Text of note from Acting Secretary Acheson to the British Ambassador

The Acting Secretary of State presents his compliments to His Excellency the British Ambassador and has the honor to refer to an *aide-memoire* from the British Embassy dated April 5, 1946 regarding British participation in Italian civil aviation. The *aide-memoire* expresses the hope that

the United States Ambassador at Rome will be instructed to inform the Italian Government that the United States Government would welcome the amendment of the contract between the Italian Government and Transcontinental and Western Air, Inc., along the lines suggested by the British Government.

This Government understands that the Combined Chiefs of Staff on March 16, 1946 approved without qualification a request by the Italian Government that Italy be allowed to resume internal civil air transport. The effect of this action was in the opinion of this Government to permit complete freedom of action to the Italian Government in the organization and conduct of such operations. The British Government suggests that this Government join it in endeavoring to persuade the Italian Government that it should modify the contract which it has concluded with a United States carrier to provide for joint United States-British participation with Italian interests in the operation of an air service. This Government is advised that the United States carrier involved does not consider that such an arrangement would be practicable from the point of view of an effective operation and that it is opposed to a mixed company such as has been suggested. As the British Government is aware, this Department is without authority to compel a private United States corporation to modify contractual arrangements which it has made legally.

Notwithstanding the foregoing, the United States Government is not prepared to exercise its good offices with the Italian Government looking toward the implementation of the contract between the Italian Government and Transcontinental and Western Air, Inc., unless and until the contract has been modified to omit the exclusivity features which this Government regards as objectionable. In the event that the contract is so modified, the United States Government would then feel justified in advising the Italian Government that the latter should proceed with the implementation of its agreement with the United States carrier. Once the contract has been so modified, it would be possible for the Italian Government to enter into

such further arrangements as it deemed advisable which might provide for the establishment of a joint British and Italian company to operate air transport services between points in Italy.

It is this Government's view that the opportunity for participation in the internal civil aviation of ex-enemy states should not be restricted to any one state or any combination thereof to the exclusion of others. However, the United States Government does not consider that such participation necessitates the joining of foreign interests in a single enterprise.

DEPARTMENT OF STATE,

WASHINGTON

May 9, 1946

Appropriate instructions have been transmitted to the American Embassy in Rome.

Request to Yugoslavia for Submitting Testimony in Trial of General Mikhailovich

[Released to the press May 14]

Note delivered to the Yugoslav Ministry of Foreign Affairs on May 7 by the American Chargé d'Affaires ad interim at Belgrade, Yugoslavia

The American Embassy presents its compliments to the Ministry of Foreign Affairs and under instructions from its Government has the honor to transmit the following reply to the Ministry's note No. 3663 of April 4, 1946.¹

On March 30, 1946, the United States Government informed the Yugoslav Government that a number of persons in the United States who were closely associated with General Draza Mikhailovich possess first-hand knowledge of his activities during the Axis occupation of Yugoslavia which would appear to be material to judicial determination of General Mikhailovich's case.² The United States Government stated that it would appreciate an indication of the place and time of trial of General Mikhailovich and of the steps the Yugoslav Government was prepared to take to facilitate the presentation of such evidence by persons who might so desire.

The Government of the Federal People's Republic of Yugoslavia replied to that communication under date of April 4, 1946, stating that it regretted that it is unable to comply with the desire of the United States Government and that it is "solely up to the military court, which will deal with this case, to summon any witness whom it might deem necessary and the Government of the Federal People's Republic of Yugoslavia are not entitled to exercise any influence upon the court." The Yugoslav Government's reply also contained the statement which the United States Government has difficulty reconciling with the principle of judicial determination of culpability, "that the crimes of General Mikhailovich against the people of Yugoslavia are far too big and horrible that it could be or should be allowed to be discussed whether he is guilty or is not."

Meanwhile, representations have been made to the United States Government by various individuals and groups in the United States who have emphasized their readiness to testify on behalf of General Mikhailovich. A large majority of such persons are United States aviators who were shot down over Yugoslavia and were rescued and returned to Allied lines by Mikhailovich's forces. As an example, a group of 20 United States airmen who thus parachuted into Yugoslavia between January and December 1944 have called personally at the Department of State and have expressed their desire to make available the information they possess either by attending the trial in person or by submitting testimony in writing if considered appropriate. Numerous approaches to the same end have also been made by mail.

In the circumstances, the United States Government desires to renew its request to the Yugoslav Government that arrangements be made whereby the evidence of such persons may be presented in the trial of General Mikhailovich and that the United States Government be informed as a matter of urgency concerning those arrangements.

The Embassy of the United States of America takes the opportunity to renew to the Ministry of Foreign Affairs of the Federal People's Republic of Yugoslavia the assurances of its highest consideration.

¹ BULLETIN of Apr. 21, 1946, p. 669.

² BULLETIN of Apr. 14, 1946, p. 634.

Germany and the Occupation

Excerpts from a discussion on our occupation policy in Germany by Assistant Secretary of State John H. Hilldring and Assistant Secretary of War Howard C. Petersen which was broadcast on May 18. The broadcast was one in a group of State Department programs in the NBC University of the Air series entitled "Our Foreign Policy". Sterling Fisher, Director of the NBC University of the Air, was chairman of their discussion, and Selden Menefee adapted it for radio.

FISHER: How has the four-power Allied Control Council in Berlin actually worked out? General Hilldring, hasn't it been a rather awkward arrangement, to say the least?

HILLDRING: Its workability has exceeded our fondest expectations. It wasn't our idea in the first place to slice Germany into four sectors. We accepted this plan with great reluctance; but with V-E Day coming up we *had* to find a formula acceptable to all the major powers. However, the Allied Control Council has worked out better than the most optimistic U.S. officers believed possible a year ago. In a steady, unspectacular way the Control Council has been a forum in which four great powers—Russia, Britain, France, and ourselves—have for a year worked together on the most complex and vital problems. Let me be very specific: I'd like to recall the dire and gloomy predictions quite a few observers made about a year ago, that the four-power arrangement would fall to pieces over two problems—reparations and the German standard of living. Yet we were able to get agreement on both of these questions, and many others.

FISHER: How far can you permit production essential for her minimum needs without restoring Germany's war-making potential?

HILLDRING: After a full and frank debate, the Allied Control Council found a middle ground. The case of steel was typical. One of our partners in the Control Council wanted practically no post-war steel industry in Germany; the other wanted a 12-million-ton industry. Both sides exposed their views to the light of logic and of facts. In the end, thanks largely to the perseverance and ability of Gen. Lucius Clay, we were able to bring the two sides together. This to my mind was an historic point in international negotiations.

FISHER: How did you work out the steel question?

HILLDRING: We did it by developing a plan which took account of Germany's minimum domestic and export needs. The Control Council agreed to reduce German steel capacity, which had been around 20 million tons before the war, to 7.5 million tons. But the German steel industry never runs at 100 percent of capacity, and we are limiting actual production to only 5.8 million tons.

PETERSEN: You can compare that to our own steel industry, which has a capacity of 75 to 80 million tons a year. It's pretty obvious that 6 million tons or so of steel a year could never be a base for a major German war effort—particularly with careful controls over the types of steel products which Germany will be permitted to manufacture.

HILLDRING: So the British and the Russians—and the French—agreed on a formula completely in accord with our policy. But this is only one example of the way the Allied Control Council has operated. It has a long list of impressive achievements. The reestablishment of trade unions, judicial reorganization, the de-Nazification program, and many others could be mentioned. Of course I do not mean to make light of the difficulties inherent in four-power occupation, nor to assert that there are no unresolved problems remaining for continued discussion. What I want to emphasize is that in the Control Council we have a machine already in operation where the four powers can and must and *do* reconcile the most divergent ideas in an intelligent and friendly spirit.

FISHER: Now, several writers have alleged that under the four-power system the British and Russian zones are rapidly becoming armed camps, directed at each other, while we sit up in the hills of Bavaria looking on. Mr. Petersen, what about that?

PETERSEN: I don't believe that. Take the recurrent story that the British have not disarmed the

German armies they captured in northwest Germany. That's simply not so. It's based on the fact that some *former* German Army units have been disarmed but kept intact as work forces, like prisoners of war, to serve under the Military Government in the British zone. We don't follow that practice in our zone, but it's a very different thing from an armed German force.

FISHER: I have talked to some people who believe that we may be on the wrong track when we worry so much about disarming Germany. They believe German strategy now is to play the major powers against each other.

PETERSEN: I don't doubt that some Germans would like to do just that. They want to end the occupation, and probably figure that encouraging Allied differences may be their best strategy for accomplishing that. But I don't think there is any organized effort along those lines.

FISHER: General Hilldring, what do you think of the suggestion that we work toward applying the American policy of political decentralization to all of Germany?

HILLDRING: This Government is committed to destroy the concentrated power of Prussia in Germany. In the U. S. zone we have made very rapid strides in developing local responsibility in the *Länder*, or states, in permitting free elections of local officials, and in encouraging the formation of decentralized political agencies in numerous ways. The peace and prosperity of all of Europe rest in large part on solving the historic problem of the rule of Prussia, and we have encouraged and will continue to encourage the greatest autonomy in municipal, county, and provincial administration. It is our purpose to urge our partners to do the same.

FISHER: The commonest criticism is that we have been too easy on the Germans, or on the Nazis. As Assistant Secretary of State, General Hilldring, do you think we have been tough enough in the actual application of our policy?

HILLDRING: I have wanted for a long time to say something about whether our policy in Germany was too tough or too soft. I think softness and toughness are completely irrelevant considerations in the determination of the policy we follow or don't follow in Germany. I think that to weigh our policy by its toughness or its softness is just

about as sensible as to debate whether Texas is too big or too small. It has nothing whatever to do with the problem. Here's the real question: Does the policy we follow in Germany serve the ends we hope to achieve in Germany—namely, to demilitarize and democratize the country? That question I can answer. The answer is yes.

FISHER: Can you give us an over-all picture, Mr. Petersen, of how our Military Government is getting rid of Germany's war potential?

PETERSEN: The basic policy was laid down at Potsdam. The Military Government authorities of course worked through the Control Council, as in the case of steel. The first step was to eliminate all war industries—ammunition, planes and so on. Then the question was, how much of what was left should be kept in order to permit a German level of living no higher than the average of the other European countries, as provided in Potsdam? Once that question was answered, everything over and above that level was available for reparations.

FISHER: General Hilldring, you mentioned exports of steel. Isn't there a danger that in rebuilding their foreign trade the Germans may reestablish ties with foreign cartels that will be useful to them if another war comes?

HILLDRING: I don't think so. We shall control Germany's export trade completely. We won't give them a chance to build their fences for another war. Our policy is four-square against any revival of the German cartel system.

FISHER: Mr. Petersen, what about the charge that our Military Government authorities have played ball with some of the cartel interests in the American zone?

PETERSEN: That's absolutely false. Our policy is to destroy cartels, and that we are proceeding to do. Some correspondents have seen factories of these cartels still in operation, but this doesn't mean they are not under strict control. In the case of the largest German cartel, I. G. Farben, only 15 percent of its activities are in the American zone, but we have removed the Farben management from these plants. We have destroyed four or five of the Farben munitions plants. We have kept those which are needed in the German economy—but not as a part of a cartel structure. One is a pharmaceutical plant—the biggest aspirin factory in the world. Others are nitrate plants, which are needed for making fertilizer.

These plants are still running, but under our close supervision. And I might add, the Control Council has agreed upon a law wiping out the Farben cartel in all four zones.

FISHER: There have been some stories out of Germany claiming that in recent months the Nazis are coming back into positions of importance. General Hilldring, what about that?

HILLDRING: There may be a few individual cases which haven't yet been dealt with. But I'd like to point out that we have thrown over 300,000 Nazis out of positions of importance, in the government, industry, the press, and education, in the American zone alone. De-Nazification has been more vigorously carried out in the American zone than in the other zones.

FISHER: General Hilldring, one American correspondent said recently that there is no master file of Nazis and Nazi sympathizers in Germany. Is that true?

HILLDRING: It was true at one time. But we now have a master file. We had to piece it together from 90 tons of wreckage we found at Marburg. The files were in a complete mess, and it took time to reassemble them. But we have had a master file for nearly three months now. We have used it in two ways. We presented a list of American Nazis to the Kilgore committee, and we have been employing the file in the de-Nazification program.

FISHER: And what's the next step in that program?

HILLDRING: To turn over as much of this work as we can to trustworthy Germans. Our business is to cleanse the German mind—to democratize Germany. Now, we can't spoon-feed the German people indefinitely. So local boards are being set up to finish the job of de-Nazification under our strict supervision.

FISHER: But do you think they will really do the job?

HILLDRING: I think the prospects are pretty good, especially since we shall oversee the process, call the tune, and watch every move.

PETERSEN: I think it would be a good idea, General, for you to tell how the final delousing will operate.

HILLDRING: General Clay directed the three

provincial Minister Presidents in the American zone to work out a de-Nazification law. They did—and General Clay told me that the provisions of the law they produced were even tougher than those Military Government had in mind. The Germans also devised a questionnaire which every adult German in our zone must fill out and sign. These will be checked against our files of Nazis and pro-Nazis. On the basis of this information, the local boards will finish cleaning house, under our supervision.

FISHER: Let's hope they will really catch the hidden Nazis. Of course, Mr. Petersen, the conspiracy that was recently uncovered among Nazi youth was not very encouraging.

PETERSEN: That was a very limited movement. To be perfectly frank, Mr. Fisher, it's still too early to expect much underground activity. Most of the Germans are still too busy with the daily problems of living in their devastated country. Problems of food, fuel, and shelter come first. But we are not overlooking the possibility of attempts of this kind in the future.

FISHER: That's a fair warning. But General Hilldring, if this is true wouldn't it be pretty risky to withdraw our troops and depend on a system of inspection to keep the Germans in line, as Secretary Byrnes is said to have proposed in Paris?

HILLDRING: The Secretary's proposal was for a 25-year military alliance to guarantee German disarmament. It did not call for the withdrawal of our forces. But we have got to face the fact that we can't stay in Germany forever.

FISHER: Meanwhile, General, what is being done to reeducate the Germans?

HILLDRING: We're concentrating on reeducation now. I think we can say the schools have been completely screened and all pro-Nazi teachers thrown out. The worst of the Nazi text books have been eliminated.

FISHER: Mr. Petersen, how do you account for the stubborn Nazi tendencies among German youth?

PETERSEN: What can you expect in a year, Mr. Fisher? Let's not be too naive or too optimistic about this. After all, Hitler was supreme dictator for 12 years. That means a German youth who graduated from the equivalent of high school last year spent his entire student life in Hitler schools, from the day he entered the first grade.

There's no magic wand that can purge German youth of Nazi ideas in one year.

HILLDRING: Especially since our Military Government had to spend a good part of that first year de-Nazifying the Germans, destroying military installations, taking custody of Nazi property, restoring loot, repatriating displaced persons, and starting a reparations program. We're just entering the period when we can spend a major part of our energy on reeducation.

FISHER: Now, General Hilldring, about the elections held last month in the American zone in Germany—

HILLDRING: They were more than anything else a part of our training program for democracy.

PETERSEN: The Christian Social Union won the election. It is really a party of the center, by our standards. The Communists got only about 5 percent of the vote.

FISHER: There have been some reports that this Christian Social Union has furnished a haven for Nazis and Nazi sympathizers—such men as Dr. Friederich Schaeffer, who was fired from a key position in the Bavarian Government when his Nazi connections were exposed.

PETERSEN: He has also been barred from leadership in the Christian Social Union. All Nazis are prohibited from political activity.

FISHER: Mr. Petersen, one of the most disturbing reports to come out of Germany recently was about conditions in the camps where D. P.'s—displaced persons—are kept.

PETERSEN: These people are a matter of grave concern to us. There were a number of criticisms about conditions in the camps shortly after V-E Day, when the Army was in the midst of the tremendous job of maintaining and repatriating about three million displaced persons. I haven't heard such criticism recently. Conditions in the Jewish camps were investigated not long ago by Judge Simon Rifkind, General McNarney's adviser on Jewish affairs.

FISHER: What did he have to say?

PETERSEN: His report was very favorable. He said that Jewish displaced persons were allowed broad freedom of movement and their camps were more like communities than concentration camps. He spoke of "the Army's warm-heartedness in dealing with all displaced persons".

FISHER: Mr. Petersen, I'd like to ask you about

the rather alarming reports concerning the morale of our occupation forces.

PETERSEN: There's been a good deal of exaggeration in these stories of low morale. We've had our troubles, of course—mainly because of the tremendous turnover of personnel. We've had to demobilize so rapidly that a certain amount of confusion was inevitable. We had green men, new units with new officers, men who hadn't been welded together in combat. They haven't been together long enough to develop any pride in their units.

FISHER: Couldn't they have been indoctrinated a little better, so they would understand the importance of their assignment?

PETERSEN: With the rapid demobilization and the hurried need for replacements, we haven't had much time for indoctrination, but we are working on it. General McNarney has an excellent orientation program under way. Conditions should improve from here on in. General Eisenhower, speaking of conditions in the Pacific, recently said that the morale and efficiency of the Army has passed the low point and is definitely on the upswing. I think that is true of Germany, too.

FISHER: I'd like to ask you to tell us a little about your occupied-area office in the State Department.

HILLDRING: For the first time a single office has been charged by the Secretary of State with coordinating all State Department policy for occupied enemy territories—not only Germany but Austria, Japan, and Korea as well. Our purpose is to establish clearly the leadership of the State Department in policy making.

FISHER: General Hilldring, has this new arrangement given rise to any reorganization in the State Department?

HILLDRING: No fundamental changes. It's mainly a matter of coordinating the activities of each division that deals with occupied territories. The work of the State Department's political, economic, and information branches has to be coordinated. With coordination at the top, you get policy and you get it *on time*.

FISHER: Then, Mr. Petersen, your representatives are charged with executing or administering State Department policy.

PETERSEN: That's right. A policy decision goes

first to "SWNCC", the State-War-Navy Coordinating Committee, on which I am the War Department member and General Hilldring represents the State Department as chairman. From there the policy is passed on—in the case of Germany—to "OMGUS" for execution.

FISHER: You're overwhelming us with initials, Mr. Petersen. What is "OMGUS"?

PETERSEN: "Office of Military Government, U.S. Zone". There are about 5,000 Military Government personnel in the American zone under General Clay. The War Department has tried to get State to take responsibility for these forces. At one time a date was even set for the transfer—June 1. We felt that a single agency should handle both policy and administration of Military Government.

HILLDRING: I had long urged State Department responsibility for Military Government, as a soldier and an individual.

FISHER: Why then, General Hilldring, hasn't the State Department taken over the whole works?

HILLDRING: The Department didn't feel able to take on an additional job of such magnitude. So the War Department will continue to *administer* Military Government in Germany.

FISHER: But, General, what about the decision to introduce civilian control of Military Government?

HILLDRING: The War and State Departments are agreed on eventual *civilianization*. This means that a civilian administrator in Berlin will report to a civilian agency in Washington. Of course, in the meantime the replacement of Military Government officers by civilians is also going on rapidly.

PETERSEN: As a matter of fact, by June 30 two thirds of our Military Government personnel will be civilians.

HILLDRING: But some military personnel will stay on, of course. There are some things they can do best—such as looking after public safety and civilian supplies. One thing I'd like to make clear is, Military Government is quite separate and distinct from the occupation forces. General McNarney heads both the occupation forces and the Military Government of Germany.

FISHER: Mr. Petersen, how large are the occupation forces today?

PETERSEN: I don't know about today, Mr. Fisher, but a week or two ago our forces in Europe totaled about 400,000.

FISHER: Mostly in Germany, I suppose.

PETERSEN: Well, there are about 60,000 American troops in Italy and Austria, and nearly all the rest are in Germany—about 340,000. We will bring this figure down to 300,000 by next June 30, and we expect to make further reductions during the year following.

FISHER: Those seem to me very modest figures considering the policing job they have to do.

PETERSEN: Of course they are. We could do a better job in almost all fields if we had more manpower. That is why we are so terribly concerned about the recent sham extension of the draft. I say "sham" because it forbids us to induct the only substantial group that is available, the 18 and 19 year olds. We fear we will not be able to meet even our minimum requirements in Germany.

HILLDRING: Our job is to make sure that Germany will never again be a threat to the peace of the world. We've got to have manpower to do that.

HILLDRING: We might as well face it: This is not a job we can do in one year, or two, or five. It may take a generation. The American public must approach this task with understanding, patience, and vigor.

ACHESON—Continued from page 894.

It is our earnest desire and the goal of Secretary Byrnes' unremitting efforts to establish peace in Europe so that many countries may be freed of occupation forces and their people enabled to direct their efforts more completely toward the increase of vitally needed supplies. General Marshall is striving day and night toward the same goal of peace in China. Armies can give no assurance of security if the chill of starvation overtakes continents and reduces the populations to the level of the Dark Ages.

Of course survival is not enough. We want to work in and through the United Nations toward a better and fuller life for all men everywhere, but we cannot blind ourselves to the appalling conditions which make life itself precarious and doubtful today for hundreds of millions of people throughout the world. Our first objective, our greatest concern, is to use our great power and resources so that men and civilization will survive, and so that once again we can begin to build the kind of world in which man's talents will have free play and his hopes a chance of realization.

Policy on Japanese Internal Political Activities

[Released to the press May 17]

In answer to inquiries on May 17 at his news conference, Acting Secretary Acheson authorized publication of the remarks of Mr. George Atcheson, deputized by General MacArthur as American Representative and Chairman of the Allied Council for Japan at its meeting of May 16:

"Supreme Commander for the Allied Powers is constantly in receipt of petitions from Japanese individuals or groups of individuals. This petition is one of a hundred of various kinds recently received.¹ It is without signature and we cannot say definitely from exactly whom it emanated except that, we understand, it was presented by a group during the course of the various parades and mass gatherings on May 1st. According to our information, the allegations in the document are not based on fact. Such allegations or complaints are of course made the subject of investigation. I repeat again that if any member of the Council has any concrete and definitive information bearing on these allegations, the Supreme Commander would wish to have it without delay.

According to the translators, the document is not written in idiomatic Japanese but rather gives the clear impression that the original had been drawn up in a foreign language and then translated into Japanese for presentation. It seems to me to be a document which is essentially concerned with internal politics in Japan. It has been the firm policy of the Supreme Commander not to interfere with internal political activities except in cases of extreme necessity. The attitude of the Supreme Commander toward the activities of various political groups in Japan has rightly been one of great generosity in permitting every possible freedom of expression and action. By directive, political prisoners have been released from prisons in which some of them have been incarcerated for many years. These prisoners have included avowed leaders and members of the Communist Party. I do not need to tell you that the United States does not favor Communism in the United States or Japan. But it has been our firm belief that, in accordance with provisions of the Potsdam Declaration, Japanese people should be as free as people of the United States to develop

their political activities. Communist Party is not suppressed in the United States and has been allowed in Japan the same rights as other political parties and members of Communist Party have been elected to the Diet. The document which we have under consideration contains the sign marks of Communistic propaganda.

We are met here for friendly and frank discussions of matters brought before us. And while I wish to offer my opinion in the friendliest way I feel that it is an obligation upon me also to be frank. It is my frank opinion that the efforts of the members of this Council should be toward the democratization of Japan and that it is not consistent with our clear duty in that respect for any member of the Council to give support in public meetings of the Council or otherwise to any one Japanese political party. There is one further remark I would like to make in regard to the document. It seems to me patent that it constitutes essentially an attack upon the present Japanese Government. As that Government resigned some time ago and is carrying on only pending a formation of a new government, the attack seems pointless and the document accordingly merely seems to be an attempt to spread Communistic propaganda."

Mr. Acheson stated that the Department concurred in the remarks of Mr. Atcheson.

Summations of Activities in Japan and Korea

Summations No. 6 for the Month of March 1946 of Non-Military Activities in Japan and of United States Army Military Government Activities in Korea consisting of information on political, economic, and social activities were released to the press by General Headquarters, Supreme Commander of the Allied Powers, and by the Commander in Chief, United States Army Forces, Pacific, respectively, and on May 4 by the War Department in Washington.

Excerpts from Summation No. 5 for the Month of February were printed in the BULLETIN of May 5 and May 12. The BULLETIN plans from time to time to carry excerpts from the summations.

¹ The document referred to was one drawn up at a May Day mass meeting held in Tokyo.

Lend-Lease and Surplus Property Settlement With India

[Released to the press May 16]

Representatives of the Government of the United States and the Government of India signed on May 16 an agreement representing an over-all settlement of lend-lease, reciprocal aid, and surplus property questions between the two countries.¹ The agreement was signed on behalf of the Government of the United States by Acting Secretary Acheson, and on behalf of the Government of India by A. A. Waugh, Member for Industries and Supplies in the Viceroy's Executive Council.

Discussions between the Department of State officials and the Government of India lend-lease delegation have been in progress in Washington since the first week of April.

The agreement with India is a comprehensive and final settlement for lend-lease, reciprocal aid, and surplus war property located in India, and for the financial claims of each government against the other arising as a result of World War II. India served as a supply base for the Southeast Asia Command during the war and, while a great volume of lend-lease supplies were shipped to India, the larger part was for the use of the British Government in India and Southeast Asia. India supplied reciprocal aid liberally to the United States, both in the form of supplies and services to United States armed forces in India, and in raw materials shipped to the United States for war production. In view of the approximately equal benefits received by the United States and India from this interchange of mutual aid, which aggregated over a billion dollars in value, it was agreed that no dollar payments would be required in the settlement between the two Governments and all obligations arising out of lend-lease and reverse lend-lease were balanced against each other and canceled, except for the pre-existing agreement under which India will return to the United States the silver received during the war.

Under the agreement the United States receives

full title to all unconsumed articles received from India during the war under reverse lend-lease. India agrees to cancel the outstanding obligation of the United States to pay about 45 million dollars in cash for supplies delivered to the United States armed forces in India after V-J Day. The agreement further provides that India receives full title to all articles in the civilian lend-lease inventory as of V-J Day and to a relatively small quantity of articles which were in the lend-lease "pipeline" for delivery after V-J Day. The articles in the Indian military lend-lease inventory, which were acquired by the Indian forces when serving with the British Army and other articles delivered to the Indian Army by the British forces in India are retained by India subject to a right of recapture by the United States. The United States, however, has stated that it does not intend to exercise generally such right of recapture.

The agreement replaces previous understandings relative to the disposal of United States Army and Navy surpluses in India. Title to all unsold United States surpluses passes to India, and India agrees to dispose of them on an equal basis with war surpluses of Indian and United Kingdom origin.

As part of the over-all settlement the United States will receive one half of all proceeds in excess of 50 million dollars realized from such disposals. The United States share of such proceeds will be available for the acquisition of real estate and buildings for United States Government agencies in India and for cultural and educational purposes of mutual benefit to the United States and India. In the disposal of United States surpluses by the Government of India, United States veterans, government agencies, businesses, and UNRRA will be accorded the same priorities as are accorded to other buyers in India of like character.

The bulk disposal of United States surpluses to India has greatly speeded the final evacuation of United States troops from India. It will also result in very substantial savings to the United

(Continued on next page)

¹ Not printed. For text of agreement, see Department of State press release 334 of May 16, 1946.

Reply to View of Arab Countries on Anglo-American Committee of Inquiry Report

[Released to the press May 17]

The Department of State on May 17 transmitted identical notes to the Chiefs of Mission in Washington of the Governments of Egypt, Iraq, Lebanon, Saudi Arabia, and Syria in reply to their notes of May 10, 1946, setting forth the views of the Arab countries with regard to the report of the Anglo-American Committee of Inquiry on Palestine which were handed to the Acting Secretary of State on that date. The text of the Department's reply follows:

May 17, 1946.

SIR:

I have the honor to acknowledge the receipt of your note of May 10, 1946 with which you transmitted a memorandum regarding the question of Palestine, with particular reference to the report of the Anglo-American Committee of Inquiry.

The views of your Government relative to this matter as set forth in the memorandum in question have been carefully noted by the appropriate officials of the Government of the United States. As you are aware, the report of the Anglo-American Committee of Inquiry is now being examined by the Governments of the United States and Great Britain which have been in communication with each other in this regard. I wish to take this opportunity to renew to you the assurances which I expressed to you during our conversation on May 10 when you handed me your note, and when I stated that it was the intention of the Government of the United States to consult with Arabs and Jews before taking any definite decision relative to the Committee's report.

Accept [etc.]

DEAN ACHESON
Acting Secretary of State

Diplomatic and Commercial Agreement with the Yemen

[Released to the press May 14]

The Government of the United States and the Kingdom of the Yemen concluded at San'a on May 4, 1946 a provisional agreement covering diplomatic and consular representation, juridical protection, and commerce and navigation, following the recent recognition of the independence of the Yemen by this Government.

The agreement, effected through an exchange of notes, provides that subjects of His Majesty the King of the Yemen and nationals of the United States are to be treated in accordance with the requirements and practices of international law and are to enjoy most-favored-nation treatment in respect of their persons and property. Both parties agree to the most-favored-nation principle in its unconditional and unlimited form as the basis of their commercial relations. Provision is also made for exchange of diplomatic representatives and consular officers at some future time. The agreement became effective May 4, 1946 and is to remain in force indefinitely, subject to

termination on 30 days' notice, or until superseded by a more comprehensive commercial agreement.

The Yemen already has treaty relations with a number of other countries, including Belgium, Egypt, Ethiopia, France, Great Britain, Iraq, the Netherlands, Saudi Arabia, and the Union of Soviet Socialist Republics.

LEND-LEASE—Continued from page 916.

States by elimination of the operating costs of the United States Army in India at least a year earlier than would have been the case if the United States had handled the actual sales itself.

This settlement is especially significant because it is the first formal agreement between India and the United States, and its harmonious completion is an auspicious opening for relations between the United States and an India now on the verge of independence. The successful conclusion of these negotiations augurs well for the future of relations between the United States and India.

Training Announcements

Orientation Conferences

Wednesday eleven o'clock series

Professor Owen Lattimore, Director, Walter Hines Page School of International Studies, Johns Hopkins University, and noted authority on China, will discuss "Our Problems in the Far East" at 11 a.m., Wednesday, June 5. Dr. Lattimore is the author of *Solution in Asia*; he was adviser on Far Eastern affairs to OWI; and he served as President Roosevelt's special representative to Generalissimo Chiang Kai-shek.

Departmental series

Mrs. Ruth B. Shipley, Chief of the Passport Division, will speak on "The Work and Problems of the Passport Division" at 10 a.m., Wednesday, June 5.

Foreign Service training series

Dr. William P. Maddox, associate professor of political science, Princeton University, now on leave with the War Department with the rank of Colonel in the Office of the Assistant Secretary of War, has recently returned after three years of intelligence work in the European Theater of Operations. Dr. Maddox will discuss "The Background of World Politics" at 9 a.m., Tuesday, June 4.

These lectures will all be held in room 474, Main State Department Building.

Foreign Service Officer Training

Since 1941 the Department has organized programs of training primarily for auxiliary Foreign Service officers. The first course in five years for career Foreign Service officers will get under way on Monday, June 3. The officers in this group have been selected from the many thousand candidates who took the Foreign Service examinations while in the armed services. Intensive training is conducted at Lothrop House, 2001 Connecticut Ave.

Publication of "Papers Relating to the Foreign Relations of the United States, the Paris Peace Conference, 1919", Volume VII

[Released to the press May 18]

On May 19 the Department released the first of three volumes containing the minutes of the Council of Heads of Delegations at the Paris Peace Conference of 1919. The other two volumes of these minutes are in advanced stages of preparation and will be released later this year.

The Heads of Delegations is the designation given to the Supreme Council in the form it assumed after the signing of the Treaty of Versailles with Germany on June 28, 1919 and the return home of President Wilson and Prime Minister Lloyd George. Clemenceau continued as chief of the French delegation, while the British were headed by Arthur Balfour. Secretary of State Robert Lansing remained a short time as head of the American delegation, and then Henry White filled in until the arrival of Frank Polk, who had been Acting Secretary of State during Mr. Lansing's absence from Washington. Herbert Hoover frequently presented his views regarding food and other economic problems. Italy and Japan were also represented on the Council.

While the treaty with Germany had been signed, the other treaties of the peace settlement had still to be completed and political and economic problems of the moment had to be dealt with. Then as now, hunger followed in the wake of war and the return to stability in eastern Europe was slow. With such matters the Heads of Delegations were concerned.

The present volume carries the story from July 1 to August 28, 1919; volume VIII will continue the record through November 5, 1919; and volume IX will complete these minutes through the final meeting of the Heads of Delegations on January 10, 1920.

The Department plans to fill the gap in the Paris Peace Conference series caused by the delay in publication of volumes V and VI containing the minutes of the Council of Four by the release of these volumes as soon as they can be printed and bound.

(Continued on next page)

Treaty of Friendship and Mutual Assistance

Poland-Yugoslavia

The American Embassy at Warsaw transmitted to the Department the text of the Polish-Yugoslav Treaty of Friendship and Mutual Assistance which was signed at Warsaw on March 18, 1946. The text as it appeared in the Warsaw press of March 20, 1946 follows

The President of the National Council of the Homeland of the Polish Republic on the one part and

The Presidium of the National Skupstina of the Federated Yugoslav Peoples Republic on the other part;

Drawing conclusions from the experiences of the past war, which, as a result of the aggression of Germany and her allies, caused great destruction in Poland as well as in Yugoslavia,

Desiring to strengthen the bonds of eternal friendship between the brotherly Slav nations of both states, particularly strengthened and established during the joint combat for freedom, independence and democracy against Germany and her allies during the past war,

Acting on the conviction that the strengthening and deepening of friendship between Poland and Yugoslavia is advantageous for the most vital interests of both countries and will most vitally serve the cause of Poland's and Yugoslavia's cultural and economic development,

Striving for the strengthening of peace and security for Poland and Yugoslavia and general peace and security,

Have decided to consummate a treaty of friendship and mutual aid and for this purpose have designated their plenipotentiaries.

The president of the National Council of the Homeland of the Polish Republic has designated the Premier of the Government of National Unity of the Polish Republic, Edward Osobka-Morawski,

The Presidium of the National Skupstina of the Federated Yugoslav Peoples Republic has designated the Marshal of Yugoslavia, Joseph Broz-Tito.

Who after exchange of their credentials, recognized as valid and prepared in proper form,

Have agreed to the following points:

Article 1

Each of the high contracting parties agrees to refrain from concluding any alliance and from taking part in any action directed against the other high contracting party.

Article 2

In the event of a threat against peace and the security of either country, the high contracting parties undertake to consult each other concerning their conduct just as in more important cases concerning the interests of the reconstruction of their countries.

Article 3

In the event one of the high contracting parties should, as a result of aggression, be involved in war activities against Germany, or against a state which was allied with Germany in the past war or against any other state which would ally itself directly or in any form with Germany or with her ally in such aggression, the other high contracting party will immediately give the other military and other aid and support by all means at its disposal.

Article 4

This treaty in no way violates obligations undertaken by both high contracting parties in relation to third states.

The high contracting parties will carry out this treaty in accordance with the statute of the United Nations Organization and will support every initiative tending to remove the centers of aggression and to establish peace and security in the world.

Article 5

This treaty comes into force on the day of signature and will remain in force for 20 years.

If notice of dissolution is not given by one of the high contracting parties at least one year before the expiration of the agreed period and so on.

The treaty is subject to ratification. Exchange of ratification documents will take place in Belgrade at the earliest possible time.

In evidence of the above, the named plenipotentiaries have signed this treaty and affixed their seals thereto.

Done in Warsaw, March 18, 1946, in two copies, both authentic, each in the Polish and Serbo-Croatian languages.

By authorization of the President of the National Council of the Homeland of the Polish Republic

Premier of the Government of National Unity EDWARD OSOBKA-MORAWSKI

By authorization of the Presidium of the National Skupstina of the Federated Yugoslav Peoples Republic

Premier of the government and Marshal of Yugoslavia JOZEF BROZ-TITO.

PUBLICATION—Continued

Foreign Relations of the United States, The Paris Peace Conference, 1919, is prepared for publication in the Division of Research and Publication under the direction of Dr. E. Wilder Spaulding, Chief of the Division, and Dr. E. R. Perkins, Editor of *Foreign Relations*. Volume VII (985 pages) is for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C., for \$2.50 a copy.

Statements, Addresses, and Broadcasts of the Week

The Secretary of State	Recommendations for the Council of Foreign Ministers. Printed in this issue	Statement made at Paris, France, on May 14, 1946
The Secretary of State	Principles of Trade for Peace and Prosperity. Printed in this issue	Statement made on May 19, 1946 in connection with the observance of National Foreign Trade Week, May 19-25
Acting Secretary Acheson	American Strength: Our Share in World Peace. Printed in this issue	An address made before the Women's American Organization for Rehabilitation Through Training on May 13, 1946 in New York, N.Y.
Assistant Secretary Braden	On the subject of the development of economic stability among the American republics. Not printed. Text issued as press release 326 of May 14	An address delivered on May 15 in New York, N.Y., before the Conference of Insurance Company Executives under the auspices of the Chamber of Commerce and the Inter-American Council of Commerce and Production
Donald D. Kennedy Chief, Division of International Resources	Foreign Policy Aspects of International Trade in Hides and Skins. Not printed. Text issued as press release 319 of May 10	An address delivered on May 13 in Hot Springs, Va., before the Tanners' Council of America
Assistant Secretary of State Hilldring	Germany and the Occupation. Text issued as press release 337 of May 17. Excerpts printed in this issue	A radio program broadcast over the NBC Network on May 18
Assistant Secretary of War Petersen		

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